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February 24, 1932

WORLD DAIRY PROSPECTS

Summary

Outstanding in recent developments in world prices of dairy products is the continued decline in domestic butter prices together with an unusual stability in foreign prices of butter at the same time that cheddar cheese prices have declined somewhat more in London than in New York. Expansion in butter consumption under the stimulus of low prices has been a notable feature in the foreign situation, particularly in Great Britain, but also quite generally in Europe where consumption of margarine has been relatively heavy. Butter supplies have been comparatively heavy in foreign markets, for the most part from the Southern Hemisphere. World cheese production has been increasing much less rapidly than butter for some years and apparently has actually fallen off during the year just ended. Canadian butter production has shown a significant increase during the past year, and an important surplus for export developed during the year, whereas butter had been imported in very considerable volume as recently as 1930. Record production continues in New Zealand and Australia, particularly the latter. Foreign trade of the United States continued to fall off in 1931, and at present, prices of staple dairy products in the United States are but little above world price levels.

Price situation featured by marked decline in domestic market

Prices of both butter and cheese have continued to decline materially since the first of the year in domestic markets, while advancing slightly in important European markets. Accordingly, margins of domestic over foreign butter prices, which in October 1931, were fully equal to the tariff have been rapidly narrowing until on February 11, the Copenhagen official quotation, equivalent to 19.5 cents, was only 2.5 cents under 92 score in New York, and London quotations on best Danish and finest New Zealand only 0.4 cents and 6.2 cents, respectively, under New York. London prices of American type cheese, also, have made some advance since the first of the year while domestic prices have declined, so that on February 11, New Zealand colored at the equivalent of

9.7 cents was only 3.1 cents under New York. From the high point in October to date, however, the decline in prices in New York has been much more marked on butter than on cheese, 38 per cent and 20 per cent, respectively. In London during the same period, New Zealand butter declined 28 per cent and New Zealand cheese 25 per cent.

Continued falling off in foreign trade of United States

Foreign trade of the United States was maintained during December with little important change from the preceding month. For the calendar year, 1931, the most significant changes from the previous year were the decline of 9 per cent in total imports of cheese, the further decline to quite unimportant volume of imports of Canadian cream and milk, and, along with lessened exports of both condensed and evaporated milk, a material increase in exports of dried milk and milk preparations. In total milk equivalent, the volume of both imports and exports of dairy products was materially less in 1931 than in 1930. The excess of imports over exports on this basis declined from the equivalent of 597 million pounds in 1930 to 429 million pounds in 1931, a decline of 168 million pounds or 28 per cent.

United States: Imports and exports of dairy products, specified periods, 1930 and 1931

Item	Unit	1930		1931		
		Dec.	Calendar year	Nov.	Dec.	Calendar year
Imports						
Butter	pound	97,015	2,472,157	135,903	205,418	1,881,771
Cheese	"	5,236,991	68,510,716	6,057,359	5,194,932	61,991,424
Milk -						
Condensed	"	24,206	1,611,095	107,944	116,522	1,245,158
Evaporated	"					
Powdered, etc.	"	---	4,145,065	111,666	75,357	1,132,975
Fresh	gallon	71,091	1,837,483	25,535	7,612	611,516
Cream, fresh	"	49,958	1,585,456	13,157	9,315	79,455
Total milk equivalent	pound		1/ 98,599,000			1/ 675,747,000
Exports						
Butter	pound	188,046	2,954,025	95,248	128,646	1,984,333
Cheese	"	175,912	1,964,138	140,350	169,530	1,672,515
Milk -						
Condensed	"	1,906,774	29,648,190	1,445,410	1,833,316	19,323,694
Evaporated	"	4,545,721	60,810,993	4,239,591	4,366,965	55,761,388
Powdered, etc.	"	660,071	8,694,764	860,760	633,127	14,488,029
Fresh	gallon	12,002	183,648	6,608	7,526	100,825
Cream, fresh	"					
Total milk equivalent	pound	---	1/ 109,447,000			1/ 246,976,000
Excess imports over exports equivalent	"	---	1/ 596,952,000			1/ 428,771,000

1/ Exclusive of powdered milk for which data do not show separate classifications for whole and skimmed.

Butter production relatively heavy in foreign countries, particularly in Southern Hemisphere

Supplies of butter in 1931 represented a relatively greater increase over 1930 in foreign markets than in the United States. In the United States, the total output of creamery butter in 1931 is estimated to have been 1,626,000,000 pounds, an increase of 2.0 per cent only over 1930. During the summer and early fall when domestic output was limited by pasture conditions even more unfavorable than had prevailed during the previous summer, foreign supplies continued much heavier than in corresponding months of 1930. For the calendar year 1931, the total imports of butter into Great Britain and Germany amounted to 1,125,000,000 pounds or 6.5 per cent more than in 1930.

European butter production was not increased in nearly the same proportion as were Southern Hemisphere supplies. Danish butter exports during 1931 exceeded those of 1930 by about 1.4 per cent, increasing from 372,553,000 pounds to 377,688,000 pounds, according to preliminary official figures. For Finland, also, export figures for the year are available and indicate only a slight increase in 1931 (1.7 per cent) to 38,345,000 pounds from 37,705,000 pounds in 1930.

United States: Production of creamery butter, by months, 1930 and 1931

Month	1930 1/	1931 2/ (Prel.)	Percentage change 1931 to 1930
	Pounds	Pounds	Per cent
Jan.	108,382,000	115,544,300	+ 6.60
Feb.	102,252,000	108,050,000	+ 5.67
Mar.	115,679,000	125,189,300	+ 8.22
Apr.	133,271,000	142,528,500	+ 6.94
May	184,585,000	177,543,800	- 3.72
June	189,788,000	190,278,000	+ 0.25
July	167,559,000	158,125,700	- 5.63
Aug.	137,420,000	136,769,000	- 0.48
Sept.	122,580,000	118,202,200	- 3.58
Oct.	120,247,000	121,052,100	+ 0.66
Nov.	101,974,000	112,001,500	+ 9.83
Dec.	111,694,000	121,053,800	+ 8.37
Total	1,595,231,000	1,626,338,200	+ 1.95

1/ Final revised figures.
2/ Such adjustments of estimates for previous months of this year as have been made are on the basis of the final revised production statistics for 1930 which are now available.

Butter: Imports into Great Britain and Germany, by months, 1930 and 1931

Month	1930			1931			Change in total, 1931 from 1930
	Great Britain	Germany	Total	Great Britain	Germany	Total	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Per cent
Jan.	72,019	24,392	96,711	75,645	17,111	92,756	- 4.09
Feb.	58,655	17,637	76,292	66,879	17,102	83,981	+ 10.07
Mar.	65,488	19,400	82,888	63,009	15,226	78,235	- 5.61
Apr.	65,425	21,164	86,589	75,095	16,001	91,096	+ 5.20
May	68,171	23,369	91,540	80,994	19,279	100,273	+ 9.54
June	76,492	23,589	100,081	84,738	17,857	102,595	+ 2.51
July	60,603	33,069	93,672	90,528	19,841	110,369	+ 17.82
Aug.	60,875	26,455	87,330	73,698	18,824	92,522	+ 5.95
Sept.	55,667	27,337	83,004	66,879	18,519	85,398	+ 2.88
Oct.	57,735	29,321	87,056	71,785	21,605	93,390	+ 7.28
Nov.	51,667	26,235	77,902	66,832	19,184	86,016	+ 10.42
Dec.	73,986	21,384	95,370	87,786	20,282	108,070	+ 13.32
Total	764,783	295,652	1,066,435	903,870	220,851	1,124,801	+ 6.47

Increase in world production of cheese less marked than of butter

World supplies of butter have apparently been increasing more rapidly in recent years than have commercial supplies of cheese. Butter output in 20 countries of most commercial importance increased from a pre-war average of 5,023,000,000 pounds to 6,392,000,000 pounds in 1929, an increase of 27 per cent, while the cheese production that can be accounted for in 16 countries increased from 2,649,000,000 pounds to 3,105,000,000 pounds, or 17 per cent. This change in ratio of world supplies of butter and cheese has resulted, apparently, not so much from any marked shifts from the production of cheese to butter within the settled dairy countries as from the fact that butter production predominates in the comparatively new dairy regions such as Australia, Argentina, western Canada, and in very recent years even in New Zealand, in which countries dairying has been most rapidly expanding.

Of all butter accounted for as entering the international trade of 36 countries, Great Britain and Germany together import about 90 per cent from year to year, and of the cheese trade of 34 countries about two-thirds. In 1929, imports of 1,002,000,000 pounds of butter into these two great consuming centers represented an increase over the previous year of 5.9 per cent and imports of 478,000,000 pounds of cheese an increase of 1.9 per cent. In 1930 imports of butter amounted to 1,056,000,000 pounds of butter, an increase over 1929 of 5.4 per cent, and imports of cheese to 485,000,000 pounds, an increase of 1.0 per cent. During 1931 imports of butter increased to 1,125,000,000 pounds or 6.5 per cent over 1930, while cheese imports declined 8.8 per cent.

Consumption of butter in Europe makes unique gain

World prices of butter have declined roughly 20 per cent during each of the past two years, yearly average prices having undergone practically the same change in important European markets as in the United States. The unusually low prices prevailing in 1931 had the effect generally of stimulating consumption of the heavy butter supplies available, particularly in Great Britain, and of limiting the consumption of margarine. Production of margarine in the United States has declined from 342,250,000 pounds in 1929 to 311,755,000 pounds in 1930 and 221,955,000 pounds in 1931. Since the production and consumption of margarine in the United States on a per capita basis is almost negligible in comparison with European consumption, the swing away from margarine to butter consumption as an effect of low butter prices has been less marked in this country than in European countries. The apparent trade output of creamery butter in the United States was 3.2 per cent greater in 1931 than in 1929, while the consumption of butter in Great Britain increased about 29 per cent in the same period, from a monthly average of 54,000,000 pounds in 1929 to 76,000,000 pounds in 1931, according to commercial estimate. Imports for consumption in Great Britain show an increase of 23 per cent.

Stocks in storage on January 1 were unusually light in the United States, amounting to 26,550,000 pounds against 63,401,000 pounds a year ago, and 53,951,000 pounds as the average on that date of the previous five years. In Great Britain, where reports of storage holdings have now been compiled for about two complete years, stocks at the end of 1931 (December 26) amounted to 24,294,000 pounds compared with 14,120,000 pounds a year earlier and 18,477,000 pounds two years ago, according to data published by the Empire Marketing Board.

Canada developing surplus of butter for export

Butter production as officially estimated for all Canada during the 11 months ended November 1931, exceeded that of the corresponding period of 1930 by 38,674,527 pounds, or 15.2 per cent. The increase has been particularly marked in the prairie provinces, as indicated by the following official estimates. The increase was 15,853,872 pounds, or 22.2 per cent.

Butter production in prairie provinces of Canada, 1930 and 1931

Province	1930	1931
	Pounds	Pounds
Manitoba -		
Creamery	15,786,896	21,078,073
Dairy	8,250,000	8,500,000
Saskatchewan -		
Creamery	13,920,561	18,800,000
Dairy	16,500,000	17,000,000
Alberta -		
Creamery	17,716,744	22,650,000
Total	72,174,201	88,028,073

Exports of butter during the 12 months ended November 30, 1931, amounted to 10,487,200 pounds and imports to 3,224,750 pounds, while for the preceding 12 months exports were only 1,167,000 pounds and imports 44,469,181 pounds. Holdings of creamery butter in all Canada, according to preliminary figures, were 23,718,861 pounds on January 1, 1932, against 21,364,979 pounds on January 1, 1931, and a 5-year average of 16,763,068 pounds.

Heavy production continues in Australia and New Zealand

Dairy production during the current season in Australia and New Zealand continues to date at a new record level for both countries, although the increase is particularly marked in Australia. Total shipments afloat from Australia, New Zealand, and Argentina were reported by the Empire Marketing Board as of January 28, 1932, at 53,794,000 pounds as compared with 50,865,000 pounds a year earlier. Owing to control of shipments, however, the volume afloat may not reflect closely the output in any part of the year. Receipts of butter into storage from week to week since the beginning of the season in August are shown below as compiled from reports published by the Empire Marketing Board.

Butter: Receipts into grading stores in New Zealand and Australia, by weeks, August-January, 1930-31 and 1931-32

Week ended	New Zealand		Australia	
	1930-31	1931-32	1930-31	1931-32
	Boxes	Boxes	Cwt.	Cwt.
Aug. 8	15,000	21,500	8,020	18,900
15	23,500	28,000	7,980	16,560
22	34,000	38,000	9,500	19,340
29	39,000	45,000	11,540	21,600
Sept. 5	52,000	55,000	13,060	23,420
12	61,500	59,500	16,080	29,200
19	65,000	67,000	19,240	27,020
26	74,000	75,000	23,320	30,080
Oct. 3	88,000	79,000	28,700	33,560
10	92,000	94,000	27,640	38,200
17	96,000	108,000	32,780	41,120
24	111,000	123,000	36,560	43,680
31	109,000	125,950	45,660	45,460
Nov. 7	117,500	135,200	42,040	43,840
14	125,000	155,000	47,720	47,540
21	129,000	146,000	46,720	50,200
28	137,000	143,000	43,460	53,980
Dec. 5	132,000	148,000	42,210	58,500
12	132,500	146,000	40,460	61,100
19	134,000	134,000	36,400	56,880
26	120,000	127,000	23,680	50,120
Jan. 2	132,000	136,492	41,460	62,940
9	128,500	1/ 149,000	43,620	80,560
16	119,650	1/ 130,000	---	---
Total	2,269,150	2,446,642	686,050	954,000
Total in pounds	127,072,400	137,009,352	76,837,600	106,848,000
Increase, 1931-32 over 1930-31, per cent	8			39

1/ Received from same source by cable through London office of American Agricultural Attache.

Butter: Price per pound in New York, Copenhagen, Berlin, and London for one day each week, January 1932, with comparisons

Market and description	1931	1932						1931
	Dec.24	Dec.31	Jan. 7	Jan.14	Jan.21	Jan.28	Feb. 4	Feb.11	Feb.12
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
New York, 92 score	31.0	28.0	25.5	23.5	23.5	22.0	22.0	22.0	28.5
Copenhagen, official quotation	19.0	18.6	17.3	16.3	16.4	16.9	18.4	19.5	31.4
Berlin, 1A quality	23.0	22.6	21.9	20.8	21.4	22.0	24.0		32.4
London -									
Danish	20.9	20.7	19.3	18.6	18.5	19.0	20.7	21.6	33.7
Dutch, unsalted	23.2	24.0	24.5	24.3	22.5	22.2	23.7	25.0	32.8
New Zealand	15.0	15.0	15.3	15.4	14.8	15.6	15.6	15.8	26.5
" " unsalted	17.7	17.6	17.5	18.0	17.4	17.2	17.3	17.3	27.4
Australian	14.8	14.9	15.3	15.2	14.5	15.3	15.5	15.5	26.1
" unsalted	16.5	16.6	16.7	16.9	16.4	16.5	16.6	16.4	26.1
Argentine, "	15.0	15.3	15.2	15.4	14.9	15.1	14.9	15.3	25.8

Cheese: Price per pound in New York and London for one day each week, January 1932, with comparisons

Market and description	1931	1932						1931
	Dec.24	Dec.31	Jan. 7	Jan.14	Jan.21	Jan.28	Feb. 4	Feb.11	Feb.12
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
New York, single daisies	14.2	14.2	14.0	13.2	13.2	13.2	13.2	12.8	16.5
London -									
Canadian, white	10.1	10.4	10.5	10.8	10.7	10.7	10.7	10.6	16.5
" colored	10.0	10.4	10.4	10.8	10.7	10.7	10.7	10.6	16.5
New Zealand, white	8.6	8.7	8.9	9.0	8.8	9.5	9.6	9.6	12.3
New Zealand, colored	8.4	8.4	8.7	8.8	8.8	9.3	9.5	9.7	12.5

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March 31, 1932

WORLD DAIRY PROSPECTS

Summary

Domestic butter prices have been comparatively steady during March, with foreign market conditions, particularly those affecting prices of continental European butters, unusually disturbed. European butter markets were described a month ago as more stable than domestic markets. Domestic butter production was checked in January to a volume somewhat below that of December but both January and February output have been substantially heavier than last year. Continental European production of butter was apparently lighter, generally by February than normal with total supplies reaching Great Britain and Germany, however, 12 per cent larger than in the previous February. New Zealand and Australian output were reported in early February as having fallen for the first time below last year's level. Various European tariff changes and trade restrictions, notably in Great Britain and Germany, have contributed to the irregularity in foreign butter markets and are apparently bringing about some new adjustments in prices.

Heavy foreign supplies of butter finding principal market in Great Britain

Imports of butter into Germany fell off markedly after the increases in the German tariff rates, effective January 23. According to preliminary cabled reports from Agricultural Attache Steere at Berlin, imports amounted to 18,963,000 pounds in January and 12,568,000 pounds in February, which is the smallest importation in any month in recent years.

In Great Britain, on the other hand, imports of butter during January amounted to 79,654,000 pounds and increased during February to 81,527,000 pounds, which, when the shortness of the month is considered, represents a still greater increase in the daily average volume of importation. In February, 1931, only 66,879,000 pounds were imported into Great Britain. Total importations of butter into Great Britain and Germany, when compared with corresponding months of 1931, were 6.3 per cent heavier in January and 12.0 per cent heavier in February. Total Danish butter exports during January and February were about 1 per cent less than in the corresponding period of 1931.

Butter: Imports into Great Britain and Germany, by months, 1931 and 1932 to date

Month	1931			1932			Change in total 1932 from 1931
	Great Britain	Germany	Total	Great Britain	Germany	Total	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Per cent
Jan.	75,645	17,111	92,756	79,654	18,963	93,617	+ 6.3
Feb.	66,879	17,102	83,981	81,527	12,568	94,095	+ 12.0
Mar.	63,009	15,226	78,235				
Apr.	75,095	16,001	91,096				
May	80,994	19,279	100,273				
June	84,738	17,857	102,595				
July	90,528	19,841	110,369				
Aug.	73,698	18,824	92,522				
Sept.	66,879	18,519	85,398				
Oct.	71,785	21,605	93,390				
Nov.	66,832	19,184	86,016				
Dec.	87,788	20,282	108,070				
Total	903,870	220,831	1,124,701				

Domestic butter production continues substantial increase over year ago

The estimated production of 119,324,000 pounds of creamery butter in the United States during January, 1932 represents an increase of 2.76 per cent over that of the previous January, and February production estimated at 117,684,000 pounds was comparatively heavier than last year. When correction is made for the extra day in February of this year, the increase figures at 4.7 per cent. Complete estimates for January indicate substantial reductions in manufacture of cheese, condensed, and evaporated milk with a net increase in terms of milk content of about 1 per cent over that of January, 1931.

Decline relatively marked in prices of continental European butter

During January and February about 30 per cent of the total butter imports into Great Britain were from continental Europe and the remainder almost wholly from Southern Hemisphere sources. Early March figures indicated a continuance of relatively light supply from European countries, and yet London prices of Danish and Dutch butter have shown marked decline during March at the same time that prices of colonial butter have been fully maintained. The margin between prices of Danish and New Zealand butter on the London market had reached 6.7 cents on February 18, but, principally through decline in the price of Danish, this margin has narrowed until on March 24 it amounted to only 1.7 cents.

Danish butter was quoted in London as recently as February 18 at an average price equivalent to 23.9 cents or 1.4 cents higher than the quotation for the same day on 92 score in New York at 22.5 cents. On March 24, with New York at 22.0, the price of Danish in London was equivalent to 19.3 cents or 2.7 cents under New York. Meanwhile, London quotations on colonial butters had changed comparatively little and such changes as occurred were in the direction of higher prices. New Zealand finest salted, for instance, advanced from the equivalent of 17.2 cents to 17.6 cents, representing a rather constant margin of 4 or 5 cents under the comparable grade in New York.

Prices of American cheese were practically unchanged over this period in New York and very steady although with some net advance in London.

The new tariff rates on butter in effect in Germany since January 23,1932 are complicated by various treaties and favored nation provisions and by the admission of certain minimum quantities or contingents yearly at one rate, with any quantity in excess of that contingent at a much higher tariff. Five different rates are reported as now in effect ranging from 50 marks per 100 kilograms, equivalent to about 5.4 cents per pound to 170 marks per 100 kgs. or 18.4 cents a pound. There is little doubt that Danish butter will be affected at least as seriously as any.

United States: Imports and exports of dairy products, January and December, 1931, and January, 1932

Item	Unit	Imports			Exports		
		1931		1932	1931		1932
		Jan.	Dec.	Jan.	Jan.	Dec.	Jan.
Butter	lbs.	110,318	255,418	122,965	222,081	128,646	142,142
Cheese --							
Swiss	"	1,241,658	384,119	867,393	128,540	169,530	157,168
Other	"	2,880,985	4,310,813	2,861,126			
Cream	gals.	17,687	9,315	5,838	11,283	7,526	5,034
Milk, fresh	"	63,462	7,612	19,715			
Evaporated	lbs.	96	116,522	74,925	5,269,123	4,366,965	4,502,284
Condensed	"	113,309		39,175	2,403,317	1,233,316	2,309,710
Cond. & evap., bulk	"	0		36	- - -	---	- - -
Dried, whole	"	90,095		54,786	366,085	725,299	169,691
" skimmed	"	0		0			90,810
"buttermilk	"	0	75,357	0			- - -
" cream	"	0		0			- - -
" malted, compounds etc.	"	0		2,526	148,040	107,828	129,342

Butter: Price per pound in New York, San Francisco, Montreal, Copenhagen, Berlin, and London for one day each week, March 1932, with comparisons

Market and description	1932						1931
	Feb. 18	Feb. 25	Mar. 3	Mar. 10	Mar. 17	Mar. 24	Mar. 26
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
New York, 92 score	22.5	23.8	22.0	23.5	23.5	22.0	28.5
San Francisco, 92 score	24.0	24.0	23.0	23.0	23.0	23.0	26.0
Montreal, No. 1 pasteur.	15.0	17.3	20.3	21.5	24.1	23.8	20.6
Copenhagen off. quot.	21.8	19.5	17.9	17.0	15.4	15.4	25.6
Berlin, 1A quality	26.5	29.1	27.2	27.2	27.2	27.2	28.3
London:							
Danish	23.9	21.8	21.6	20.8	19.3	19.3	27.6
Dutch, unsalted	26.6	26.0	25.2	21.4	21.0	21.1	27.6
New Zealand	17.2	16.9	17.0	18.0	17.6	17.6	24.4
" " unsalted	18.1	18.0	18.1	18.8	18.6	19.0	26.5
Australian	16.4	16.1	16.3	17.1	16.8	17.0	24.1
" unsalted	17.5	16.6	16.9	17.6	17.2	17.3	25.2
Argentine, unsalted	16.5	16.8	16.9	17.4	16.8	17.0	24.8

Cheese: Price per pound in New York and London for one day each week, March 1932, with comparisons

Market and description	1932						1931
	Feb. 18	Feb. 25	Mar. 3	Mar. 10	Mar. 17	Mar. 24	Mar. 26
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
New York, single daisies	12.8	12.8	12.8	12.8	12.8	12.8	16.1
London:							
Canadian, white	10.8	11.0	11.1	11.5	11.3	11.6	16.1
Canadian, colored	10.8	10.9	10.9	11.4	11.3	11.4	16.1
New Zealand, white	9.8	9.4	9.5	10.0	9.8	9.9	11.3
New Zealand, colored	9.9	9.5	9.6	10.2	10.0	10.0	11.8

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April 25,1932

WORLD DAIRY PROSPECTS

Summary

Prices of butter and cheese declined in domestic markets during the first half of April, whereas outside prices generally advanced. Domestic prices of both butter and cheese are now only slightly above the level of prices in important European markets. Domestic butter production continued abnormally heavy through the last of the winter months, February production having been 8.9 per cent heavier than last year. Total supplies reaching European butter markets were also heavy through February. Although Germany took much less butter than in any recent previous month, the total for that country and Great Britain combined was 12 per cent larger than a year ago. Stocks of butter in Great Britain accumulated during the month ended March 19, when there is normally some decrease. Good demand from European markets of secondary importance such as belgium, Switzerland, and France has contributed to the recent comparative strength of the European butter markets generally. By the first of April, some slight seasonal increase in production in the principal European surplus-producing countries was reported. March receipts of butter in Great Britain from Australia and New Zealand reached 47,281,000 pounds which exceeded March arrivals of last year by 18,032,000 pounds. This is expected, according to the Empire Marketing Board, to mark the height of the Southern Hemisphere shipments for this season.

Russian butter exports showed marked recovery in 1931. Discouragingly low prices for dairy produce exported from the Netherlands in the past year have notably checked the previous steady increase in production in that

country and exports of both butter and cheese have fallen off sharply. Despite these conditions in the European markets, margarine production and consumption in Germany, where buying power has been relatively weak, has been well maintained. Canada has recently developed a surplus of butter of which a comparatively small part has reached United States markets.

Some decline in foreign trade of the United States

Foreign trade of the United States during February was somewhat lighter than in January and in February of last year in total cheese imports, although of Swiss cheese the volume of imports was practically the same as in the previous month. Exports of condensed and evaporated milk, although slightly heavier than a year ago, were considerably lighter than in January, while dried milk exports were less than in January and much less than a year ago.

United States: Imports and exports of dairy products, February, 1931 and January and February, 1932

Item	Unit	Imports			Exports		
		1931	1932		1931	1932	
		Feb.	Jan.	Feb.	Feb.	Jan.	Feb.
Butter	lbs.	97,109	122,965	138,670	141,533	142,142	108,398
Cheese, total	"	4,061,520	3,729,019	3,580,480	118,334	157,168	86,745
" Swiss	"	1,156,618	867,893	874,102			
" Other	"	2,904,902	2,861,126	2,706,378			
Cream, fresh	gals.	4,409	5,838	5,751	(11,936	(5,034	(4,849
Milk, "	"	53,171	19,715	29,708	(	(	(
" evaporated	lbs.	232	74,925	56,662	3,775,401	4,502,284	4,065,903
" condensed	"	22,843	39,175	6,425	1,344,889	2,309,710	1,404,122
" dried, total	a/ "	193,009	57,312	69,377	1,110,052	386,843	359,334
" " whole	"	192,877	54,786	68,250		166,691	211,014
" " skimmed	"					90,810	40,425
" malted, compounds, etc.	"	0	2,526	1,127	109,524	129,342	107,895

a/ Includes whole milk, skimmed milk, buttermilk, cream, and malted milk, compounds, etc.

Increase in domestic butter output relatively greater than in cheese

Production of creamery butter in the United States during January was estimated to have been 119,324,000 pounds, representing an increase of 2.8 per cent over January of last year and February production of 117,684,000 pounds, an increase of 8.9 per cent. The domestic cheese production was estimated at 26,860,000 pounds in January, a decrease from a year earlier of 7.9 per cent, and 28,481,000 pounds in February, a decrease of 5.3 per cent. Domestic prices of cheese have been much better maintained during the past month than have butter prices.

Dairy industry of Netherlands reflects critical European market conditions

Recent developments affecting the market for dairy products from the Netherlands are regarded by dairy producers in that country as having reached a critical stage.

Production of both butter and cheese in the Netherlands had been increasing steadily for ten years up to 1930. Total butter production had increased from 132,520,000 pounds in 1921 to 192,276,000 pounds in 1930 and cheese production, from 215,428,000 pounds to 301,864,000 pounds. There are indications that more recently the low prices for these products have discouraged intensive feeding and that the output has accordingly been checked, at least until pasture feeding again determines the supply.

Exports of butter fell off markedly in 1931 to 72,672,000 pounds from 92,409,000 pounds in the previous year, according to official figures quoted by American Commercial Attache, Jesse F. Van Wickel, in a report from The Hague as of March 8, 1932. Cheese exports declined from 206,773,000 pounds in 1930 to 190,492,000 pounds in 1931. The sharp decline in exports is attributable to a combination of factors that are affecting the entire European market situation and that only less directly indicate potential competition in the markets of the United States.

The increase in the German tariff effective January 23, which doubled the import duty (now equivalent to about 11 cents a pound) on all Dutch butter imported into Germany in excess of 5,000 metric tons (11,000,000 pounds) per year has called forth comment from one of the leading dairy unions in the Netherlands, as quoted in the report referred to above, expressing the alarm felt at the limitation to this contingent, since the writer saw no possibility of a remunerative outlet for the remainder in other foreign countries. Fully three-fourths of the total butter exports from the Netherlands during recent years have gone to Germany.

At the same time imports of butter into the Netherlands have been increased materially during 1931 and early 1932. In 1929 imports of butter amounted to 4,209,000 pounds; in 1930, to 4,359,000 pounds; and in 1931, to 9,647,000 pounds. During the first six weeks of 1932 imports amounted to 4,210,000 pounds, or practically the same as in the entire year, 1929. Most of these imports are of Australian and Siberian butter; they have been retailed at prices competing effectively with margarine. Per capita consumption of butter increased from 13.0 pounds in 1929 to 14.3 pounds in 1930, while

margarine consumption declined slightly from 20.3 pounds to 19.6 pounds. This shift must have been accentuated since 1930. The low prices prevailing for butter have resulted in some shifting from the cheaper grades of cheese made from skimmed or part-skimmed milk to cheese with a higher fat-content. Means are being considered of making the domestic market of the Netherlands "independent of the international butter market".

German margarine production well maintained

Conditions prevailing in Germany apparently caused the production and consumption of margarine to be well maintained during 1931 despite the low level of butter prices that prevailed, according to a report from the American Consulate General in Frankfort-on-Main, as of March 23, 1932. Cheapened raw materials contributed to lower costs of production and these made possible reductions in margarine prices such as to stimulate consumption. As a result of diminished purchasing power, it is stated that more consumers were obliged to use the cheaper margarine instead of butter.

The exact quantity of margarine produced in Germany in 1931 is not yet known, but it is reported that if it did not increase, it at least remained at approximately the level of 1930. The report gives the production of margarine in Germany as 904 million pounds in 1925; 992 million pounds in 1926; 1,003 million pounds in 1927; 1,058 million pounds in 1928; and 1,102 million pounds in 1929. "The impression seems to prevail that since 1929, German margarine production has not decreased but that there are grounds for supposing that it has increased". According to the same authority, recent reports indicate that margarine sales in Germany have been stable with the prospects for a continuance of this situation in the near future.

Russian butter exports show marked recovery

Marked increase in the quantities of butter from Russia reaching the markets of Great Britain and Germany confirm official statements from the Soviet Union that have appeared under the caption,"Victories on Milk and Butter Front". It is claimed, according to a London periodical, The Dairy, of March 19, 1931, that as a result of the great dairy produce export "push", the number of cows on the State collective farms in July, 1931, was 2,220,500 as compared with 689,300 in October, 1930, and that in June, 1931, more butter was collected than in any corresponding month since the revolution.

Total exports of butter from the U.S.S.R. according to official figures had declined from 71,868,000 pounds in 1928 to 55,953,000 pounds in 1929, and to 23,197,000 pounds in 1930. The combined imports from the U.S.S.R. into Great Britain and Germany showed a corresponding decline to 1930 but figures now available for these principal markets show a marked increase from 25,443,000 pounds in 1930 to 62,130,000 pounds in 1931.

Canadian surplus for export shifts from cream to butter

Exports of fresh cream and milk from Canada, which were almost exclusively to the United States, have practically disappeared together with imports of butter into Canada, principally from Australia and New Zealand, and there has

developed within the past year an important exportable surplus of Canadian butter. The beginning of this development was indicated in a report a/ published by this Bureau in 1929, which the following tabulations and discussion will bring more nearly to date.

a/ Report F.S.40, August, 1929, The Competitive Position of the Dairy Industry of Canada.

Cream and milk fresh: Exports from Canada to United States, 1926-1931

Year ended Mar. 31	Cream	Milk
	Gallons a/	Gallons a/
1926	4,944,217	5,517,839
1927	5,395,834	5,863,734
1928	4,821,355	4,349,753
1929	3,401,225	4,504,645
1930	2,751,996	3,719,705
Year ended Dec. 1		
1930	1,523,665	1,770,742
1931	85,516	568,640

Reports of the Trade of Canada.
a/ Imperial gallons converted to United States gallons.

Canada: Production of creamery butter, by provinces, 1926-1931

Province	1926	1927	1928	1929	1930	1931 a/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
British Columbia	3,849	4,184	3,691	3,677	4,142	5,500
Alberta	19,913	16,180	14,376	16,004	17,717	22,650
Saskatchewan	16,629	11,995	11,310	14,786	13,920	18,800
Manitoba	15,419	14,231	13,782	15,472	15,787	21,078
Ontario	62,530	66,313	63,733	59,347	64,898	76,605
Quebec	50,822	55,099	52,526	53,490	60,747	69,654
New Brunswick	1,413	1,898	2,092	1,860	2,060	2,416
Nova Scotia	4,790	5,060	4,479	4,290	4,734	5,896
Prince Edward Isle	1,844	2,019	2,037	1,883	1,746	2,063
Total	177,208	176,979	168,026	170,809	185,751	224,662

The Canada Year Book, 1931, and Dairy News Letter, February 15, 1932
a/ Preliminary.

The total production of creamery butter in Canada during 1931, according to preliminary official estimates just received, amounted to 224,682,000 pounds an increase of 39,000,000 pounds over 1930.

Consumption of butter in Canada, amounting to about 30 pounds per capita, is higher than that of any other country with the exceptions of New Zealand and Australia. The marked increase in domestic output last year was rather promptly reflected in the foreign trade of Canada. Holdings of butter in all Canada on January 1, 1932, amounted to 23,718,861 pounds as compared with 21,665,000 pounds on January 1, 1931. A marked shift from an import to an export basis is indicated by the figures covering the calendar years 1930 and 1931.

Canada: Imports and exports of butter, 1926-1931

Year ended Dec. 31	Imports	Exports	Excess of imports over exports	Excess of exports over imports
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1926	9,152	9,814	---	662
1927	11,209	2,696	8,513	---
1928	16,802	1,995	14,807	---
1929	35,928	1,400	34,528	---
1930	38,606	1,180	37,426	---
1931	2,821	10,680	---	7,859

The greatly increased production of butter in Canada during 1931 apparently resulted to a very slight extent only from the diversion of milk from cheese production. Preliminary figures indicate a decrease of roughly 2 per cent in the factory cheese output in 1931 as compared with 1930, which is scarcely equal to the yearly average decline over the last decade. Exports of cheese actually increased from 80,163,700 pounds in 1930 to 84,788,400 pounds in 1931. Stocks were reduced, however, by about the amount of the increase in exports from 16,529,556 pounds on January 1, 1931, to 11,664,318 pounds on January 1, 1932. Imports of cheese into Canada are quite negligible and were slightly reduced in 1931 to 1,446,147 pounds from 1,787,776 pounds in 1930.

Canada: Production of factory cheese, by provinces, 1926-1931

Province	1926	1927	1928	1929	1930	1931 a/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
British Columbia	194	129	57	39	565	b/
Alberta	1,450	848	722	1,002	1,035	1,000
Saskatchewan	378	269	148	142	141	175
Manitoba	864	635	477	500	504	523
Ontario	119,396	96,161	95,562	79,904	81,323	81,090
Quebec	46,355	37,511	45,184	35,170	34,060	c/ 25,659
New Brunswick	1,057	803	698	578	607	496
Nova Scotia	34	43	25	19	b/	b/
Prince Edward Isle	2,003	1,657	1,711	1,392	870	525
Total	171,731	138,056	144,584	118,746	119,105	

a/ Preliminary. b/ Not reported. c/ Eleven months.

Of the officially estimated increase of some 40 million pounds in Canadian butter production in 1931 over the previous year, about 15 million pounds are accounted for as the increase in the 3 prairie provinces, Alberta, Saskatchewan, and Manitoba, and 10 million pounds in Ontario, leaving 15 million pounds as the amount that must have been gained principally in Quebec, the source of most of the fresh cream and milk that had until very recently been exported to the United States.

Butter production in Canada as a whole has been stimulated during the past two years by relatively low-priced field crops. Official index numbers of all field crops based on the yearly average for 1926 as 100 were calculated at 105 for 1929, 58 for 1930, and 47 for 1931, while Montreal prices of creamery solids would show on the same base an index of 105 for 1929, 87 for 1930 and 68 for 1931.

Throughout the past year, the increased Canadian tariff on butter was quite prohibitive of imports that had been coming in from Australia and New Zealand and for a time at least prices must have affected the Canadian markets.

Of the total exportation of 10,680,000 pounds of butter from Canada in 1931, only 664,000 pounds were exported to the United States. Most of this reached our markets during the early fall months when domestic prices had made an abnormal advance following poor pasture conditions and light supplies. For a time in September, depreciation in the value of the Canadian currency appeared to be stimulating Canadian butter exports to the United States, but any advantage to Canadian exporters from abnormal exchange rates alone appears to have been temporary, and butter exports from Canada continued to the British market over this period in much greater volume than to the United States. Offers of foreign butter in our markets at that time, however, particularly from Canada and New Zealand, were a factor in the rapid adjustment downward of domestic to outside prices.

Butter: Price per pound in New York, San Francisco, Montreal, Copenhagen, Berlin and London for one day each week, March and April 1932, with comparisons

Market and description	1932							1931
	Mar. 3	Mar. 10	Mar. 17	Mar. 24	Mar. 31	Apr. 7	Apr. 14	Apr. 16
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
New York, 92 score	22.0	23.5	23.5	22.0	20.8	20.0	19.0	25.9
San Francisco, 92 score	23.0	23.0	23.0	23.0	21.0	20.0	20.0	24.0
Montreal, No. 1 pasteur	20.3	21.5	24.1	23.8	22.1	16.2	16.3	26.6
Copenhagen, off. quot.	17.9	17.0	15.4	15.4	16.0	16.0	16.4	24.3
Berlin, 1A quality	27.2	27.2	27.2	27.2	25.5	23.8		27.0
London:								
Danish	21.6	20.8	19.3	19.3	20.0	18.9	20.6	26.7
Dutch, unsalted	25.2	21.4	21.0	21.1	22.0	21.9	22.2	26.3
New Zealand	17.0	18.0	17.6	17.6	18.6	18.6	18.2	23.2
" " unsalted	18.1	18.8	18.8	19.0	19.8	19.6	19.4	24.6
Australian	16.3	17.1	16.8	17.0	17.9	18.4	17.9	22.8
" unsalted	16.9	17.6	17.2	17.3	18.2	18.2	17.9	23.9
Argentine, unsalted	16.9	17.4	16.8	17.0	17.6	17.5	17.3	23.0

Cheese: Price per pound in New York and London for one day each week, March and April, 1932, with comparisons

Market and description	1932							1931
	Mar. 3	Mar. 10	Mar. 17	Mar. 24	Mar. 31	Apr. 7	Apr. 14	Apr. 16
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
New York, single daisies	12.8	12.8	12.8	12.8	12.6	12.2	12.2	15.6
London:								
Canadian, white	11.1	11.5	11.6	11.6	12.1	12.1	12.0	16.1
" ,colored	10.9	11.4	11.3	11.4	11.9	11.9	11.9	16.3
New Zealand, white	9.5	10.0	9.8	9.9	10.7	10.7	10.4	10.9
" ",colored	9.6	10.2	10.0	10.0	10.8	10.9	10.6	11.5

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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May 31, 1932

WORLD DAIRY PROSPECTS

Summary

Price rather than quality appears now to have become the first consideration in the world's butter markets generally. Sales of margarine continue, however, to be adversely affected. The spread in price between finest and lower grades of butter has recently been abnormally narrow both in domestic and European markets.

Imports into the United States of Swiss cheese have become notably lessened, and exports of the various forms of dehydrated milk have materially declined. English markets have been unsettled ever since the prevailing tariff policy was adopted in Great Britain with continental butter exports at a disadvantage as compared with those in British dominions. German imports of butter have been lessened by increased and discriminatory import duties, by difficulties of foreign exchange, by increasing domestic output, and by conditions resulting in weakness of demand for butter generally. At the same time that other countries of secondary importance as butter importing countries have been absorbing unusual quantities of butter, there is a marked tendency for obstructions to such imports to be set up either as increased import duties or various systems of control.

United States imports of Swiss cheese falling off

Following a nearly continuous decline since the peak of post-war importation in 1927, imports of cheese into the United States from Switzerland have continued thus far in 1932 to show marked decline from those of a year earlier. During the first four months of this year they totaled 3,791,253 pounds against 5,061,560 pounds during the corresponding period of 1931.

The United States continues to take more of the exportable surplus of cheese from Switzerland than any other country, but under the protection of a 35 per cent ad valorem duty on imports, production in the United States has been increasing for some years and imports from Switzerland have fallen off, as shown in the following table.

Cheese: Production and exports in Switzerland, imports into United States from Switzerland, and production and apparent consumption in United States, 1910-1931 a/

Calendar year	Production of cheese in Switzerland	Total exports of cheese from Switzerland	Imports into U.S. from Switzerland	United States import duty	Production of Swiss cheese in U.S.	Apparent consumption of Swiss cheese in U. S.
	1,000 lbs.	1,000 lbs.	1,000 lbs.		1,000 lbs.	1,000 lbs.
1910	b/	69,392	14,788	6 cents	b/	-
1911	144,401	66,593	15,766	per lb.	b/	-
1912	170,195	66,435	15,643	8/6/09	b/	-
1913	180,557	78,739	20,124	20%	b/	-
1914	174,825	77,573	18,154	10/4/13	b/	-
1915	127,426	74,775	12,429	----	b/	-
1916	110,891	47,215	5,916	----	15,317	21,233
1917	71,429	12,861	2	----	15,435	15,437
1918	63,052	2,680	-	----	18,587	18,587
1919	b/	1,369	12	----	21,602	21,614
1920	84,877	3,202	802	23%	20,430	21,232
1921	102,007	10,596	2,359	5/28/21	22,678	25,037
1922	122,027	46,152	12,011	25% (or 5¢ per lb.)	19,983	31,994
1923	125,800	39,046	16,982	9/22/22	22,555	39,537
1924	141,420	43,776	13,632	37½% (or 7½¢ per lb.)	21,844	35,476
1925	144,467	51,726	15,993	7/8/27	23,457	39,450
1926	155,984	61,972	16,736	----	20,883	37,619
1927	144,600	75,058	19,066	----	18,141	37,207
1928	156,064	62,695	18,564	----	16,718	35,282
1929	134,923	69,726	18,839	35% (or 7¢ per lb.)	19,406	38,245
1930	124,080	66,143	17,947	6/18/30	26,393	44,340
1931		54,305	c/ 17,170			

a/ Official sources except production in Switzerland in 1930, which is given as reported by American Vice Consul, Hugh F. Ramsey, in a report from Zurich as of Oct. 5, 1931.

b/ Data not available.

c/ Includes 15,683,000 pounds of Swiss Emmenthal cheese, 1,487,000 pounds "other varieties" from Switzerland.

Uses of milk in Switzerland other than for cheese-making are comparatively stable and limited, and accordingly the trend of milk production is reflected chiefly in the output of cheese. The quantity of cheese exported in any calendar year is related less closely to the production of that year than to the previous year. There is, of course, some normal lag in exportation due to necessary storage for curing and ripening and to some re-working of faulty cheese. Always the best quality of Swiss cheese is intended for export, and Swiss dairy interests have long recognized their dependence upon quality rather

than price as a basis of successful competition in world markets. This situation has brought the Swiss dairy industry to a serious crisis in recent years.

To encourage the utilization of milk in butter-making to displace imports of butter, a fixed price has been guaranteed for a certain quality of table butter since 1927. That the Swiss do not as yet excel as butter-makers, however, is indicated by the fact that of the total butter production in 1930 of 35,200,000 pounds, only about 15,649,000 pounds was of a quality that brought it under the terms of the subvention. Approximately 7,231,000 pounds were sold locally, and 12,320,000 pounds did not qualify for the subvention, according to figures reported by American Vice Consul, Hugh F. Ramsay, at Zurich. Consumption of butter in Switzerland is reported as having been increased, and the increase was provided for by importation. Imports of butter in 1930 are reported as having amounted to 18,753,680 pounds.

The guaranteed price to producers for first quality Emmenthal cheese for export delivered to the Central Union of Swiss Milk Producers is equivalent at current exchange rates to 18.4 cents per pound, effective May 1, 1932, according to American Vice Consul, J. Tuck Sherman reporting from Berne as of April 15, 1932. On May 4, the price of domestic Swiss cheese was quoted in Monroe, Wisconsin, at 19 cents for first quality and 22 cents for fancy. A price equivalent to 23 cents per pound was fixed by the Swiss Cheese Union, effective May 1, for "Switzerland" cheese of first quality destined for the United States. To this must be added packing costs and export bounty equivalent to about .8 cent.

United States exports of milk decline

Exports of evaporated, condensed and dried milk from the United States are much below those of a year ago, as is shown in the following table.

United States: Imports and exports of dairy products, April 1931, and March and April, 1932

Item	Unit	Imports			Exports		
		1931	1932		1931	1932	
		Apr.	Mar.	Apr.	Apr.	Mar.	Apr.
Butter	lbs.	95,934	81,108	173,143	238,820	138,706	114,140
Cheese, total	"	6,470,732	4,768,274	5,280,466	121,160	133,156	95,192
" Swiss	"	1,591,210	1,217,576	831,682			
" Other	"	4,879,522	3,550,698	4,448,784			
Cream, fresh	gals.	537	10,205	18,559	(7,592	(6,627	(2,199
Milk "	"	35,307	21,761	23,813	(	(	(
" evaporated	lbs.	33,358	52,550	92,010	5,311,415	4,226,675	3,207,246
" condensed	"	47,936	-	103,774	1,853,283	921,910	1,168,600
" dried, total a/	"	54,741	91,859	6,196	1,589,883	415,923	687,525
" " whole		-	91,771	5,989	-	162,213	158,676
" " skimmed	"	-	-	-	-	117,212	440,162
" malted, compounds, etc.	"	50	88	132	175,542	136,498	88,687

a/ Separately classified as "dried whole milk" and "dried skimmed milk", beginning Jan. 1, 1932.

Both domestic and foreign butter supplies light in April

Domestic butter production during April was checked by a combination of physical and economic conditions, and supplies reaching Great Britain and Germany were considerably less than in March or in the previous April. Much of the decline in imports into these two countries must be attributed, however, to the diversion of shipments to alternative markets which have recently assumed a relatively more important position in the world's butter markets.

Domestic production as estimated by this Bureau for the first four months of the current year is given below with comparisons for corresponding months of 1931.

United States: Creamery butter production, January-April, 1931 and 1932

Month	1931	1932 a/	Change in 1932 as compared with 1931
	Pounds	Pounds	Per cent
Jan.	116,110,000	119,323,900	+ 2.76
Feb.	108,051,000	117,683,600	+ 8.91
Mar.	124,914,000	127,267,500	+ 1.88
Apr.	143,052,000	135,822,100	- 5.06
Total four months	492,127,000	500,097,100	+ 1.61

a/ Preliminary estimates.

Stocks of butter in storage on May 1, 1932, when movement into storage for the new season normally begins, amounted to 10,350,000 pounds against 17,195,000 pounds a year ago and 10,916,000 pounds for the previous 5-year average for that date.

Butter: Imports into Great Britain and Germany, by months, 1931 and 1932 to date

Month	1931			1932			Change in total 1932 from 1931
	Great Britain	Germany	Total	Great Britain	Germany	Total	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Per cent
Jan.	75,645	17,111	92,756	79,654	18,963	98,617	+ 6.3
Feb.	66,879	17,102	83,981	81,527	12,568	94,095	+ 12.0
Mar.	63,009	15,226	78,235	73,470	13,668	87,138	+ 11.4
Apr.	75,095	16,001	91,096	67,081	9,702	76,783	- 15.7
Total 4 mos.	280,628	65,440	346,068	301,732	54,901	356,633	+ 03.1
May	80,994	19,279	100,273				
June	84,738	17,857	102,595				
July	90,528	19,841	110,369				
Aug.	73,698	18,824	92,522				
Sept.	66,879	18,519	85,398				
Oct.	71,785	21,605	93,390				
Nov.	66,832	19,184	86,016				
Dec.	87,788	20,282	108,070				
Total	903,870	220,831	1,124,701				

Holdings of butter in cold storage in Great Britain amounted on April 16 to 54,236,000 pounds against 33,421,000 pounds a year ago and 81,481,000 pounds two years ago, according to the London Grocer.

Large reexports from record imports of butter into Great Britain

Imports of butter into Great Britain during the first quarter of 1932 amounted to 234,651,000 pounds against 205,533,000 pounds in the corresponding period of 1931 and 194,162,000 pounds in the first quarter of 1930. Reexports, however, also far exceeded those of previous years, amounting to 24,274,000 pounds, 16,417,000 pounds, and 5,143,000 pounds, respectively. Amounts of exports of imported butter this year have gone to Belgium, the Netherlands, Germany, France, Irish Free State, and Switzerland in the order named.

Imports of cheese have totaled slightly less this year at 87,436,000 pounds for the first three months compared with 88,315,000 pounds a year ago and 90,164,000 pounds two years ago. Shipments from New Zealand were lighter and from Canada heavier than in the corresponding period of the preceding year.

Great Britain took more evaporated milk and less milk powder from the United States during the first quarter of 1932 than a year earlier. The imports of evaporated milk from this country increased from 3,351,000 pounds to 4,870,000 pounds while imports of our milk powder declined from 1,050,000 pounds to 796,000 pounds. Considerably increased shipments of milk powder from New Zealand to Great Britain have accompanied declining shipments from the United States and from Canada.

Germany importing less and cheaper butter

The low level to which demand for foreign butter has fallen in Germany is indicated in the figures covering importation during the first four months of this year and particularly during February, March and April, as presented below with comparisons for other recent years. Higher tariff rates effective January 23, 1932, while having the effect of increasing somewhat the January imports, have greatly hampered subsequent importation.

Germany: Total imports of butter, January - April, 1929 - 1932

Month	1929	1930	1931	1932
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Jan.	30,644	24,692	17,111	18,963
Feb.	22,046	17,639	17,102	12,568
Mar.	20,506	19,400	15,226	13,668
Apr.	18,519	21,164	16,001	9,702

A marked shift from the relatively high priced butters from such countries as Denmark, The Netherlands, Sweden, and Finland to the lower priced product from Russia and the Southern Hemisphere is indicated in the following tabulation of imports by countries over the first three months of this year as compared with last year. Exports of butter from Poland had been principally to Germany, but the new tariff rates, the maximum of which were applicable to Polish butter until April 1, 1932, were regarded as prohibitive of advantageous trade with Germany. The recent negotiations for their modification resulted in the tariff having been reduced from the equivalent of 18 cents per pound to 11 cents, effective April 1.

Germany: Imports of butter, by countries, March and January to March, 1931 and 1932

Country whence consigned	Mar. 1931	Mar. 1932	Jan. - Mar. 1931	Jan. - Mar. 1932
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Denmark	5,229	3,829	17,167	13,766
Netherlands	3,045	1,816	8,351	4,183
Latvia	1,145	1,729	3,571	5,243
New Zealand	19	1,451	72	2,263
Estonia	437	847	2,066	2,526
Finland	1,142	831	3,112	2,413
Sweden	1,937	767	5,429	2,743
Russia	71	679	780	5,102
Argentina	172	276	423	1,175
Australia	207	-	1,498	1,763
Poland	896	421	3,469	1,287
Other countries	927	947	3,203	2,754
Total	15,227	13,593	49,441	45,218

Imports of cheese into Germany also fell off during the first three months of this year as compared with last, from 26,677,000 pounds to 22,056,000 pounds, the decline having been particularly marked in imports from Switzerland and the Netherlands.

At the same time that the German and British tariffs are stimulating the diversion of butter supplies to alternative markets of secondary importance, there is a growing tendency for these other countries to set up barriers in the form of tariffs or some system whereby importation is limited to a certain contingent or quota, or the restrictions may take both forms in combination. Some rough indication of the extent of these restrictions is given in the following summary which is brought as nearly to date as general sources of information at hand permit.

Tariff rates on butter prevailing in important countries

Country	Approximate duty, per pound, at prevailing rates of exchange	Remarks
	Cents	
United States	14	General tariff.
Great Britain	-	10 per cent ad valorem with free importation from British Dominions.
Germany	5 - 18	Subject to treaty agreements and rates varying beyond specified contingents.
Irish Free State	8	General tariff.
Belgium	10	Importation permitted only by special license.
Italy	9	And additional 15 per cent ad valorem.
Switzerland	16	Control of imports by contingent or quota system.
France	4	And surtax of 6 per cent. Quota system.
Netherlands	-	Quota system effective April 19, 1932.
Canada	7 - 13	British preferential, 8 cents at par.

France now an important butter importing country

Until recently the foreign trade of France had resulted in a net export of butter, but since 1930 the balance has swung so that imports now considerably exceed exports. During 1931 exports amounting to 11,037,000 pounds were only about one-fourth as large as the imports of 40,839,000 pounds. About one-half of the total imports in 1931 were from Denmark and the Netherlands. The remainder was imported from Great Britain and other countries, much of which apparently came directly or indirectly from Southern Hemisphere sources. Exports of butter from France to Great Britain had practically disappeared by 1931. The quota fixed for butter imports during the first three months of 1932 was increased on March 2 to 7,938,000 pounds. On April 13 the quota for the second quarter was fixed at 6,174,000 pounds.

Italy importing much Argentine butter

In Italy, as in France, a considerable importation of butter has developed during the last two years. Imports during 1931 totalled 6,186,000 pounds or practically double the importation of 3,114,000 pounds in 1930. Of the 1931 imports, 2,761,000 pounds came from the Argentine. Exports of butter from Italy amounted to 1,289,000 pounds in 1931 and 1,851,000 pounds in 1930.

Butter: Price per pound in New York, San Francisco, Montreal, Copenhagen, Berlin, and London for one day each week, April and May, 1932, with comparisons

Market and description	1932						1931
	Apr. 21	Apr. 28	May 5	May 12	May 19	May 26	May 28
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
New York, 92 score	20.2	20.2	20.0	19.5	18.5	18.0	23.8
San Francisco, 92 score	20.0	20.0	20.0	20.0	19.0	18.0	25.0
Montreal, No.1 past.	14.6	14.5	14.6	14.2	14.1	a/	21.1
Copenhagen, off.quot.	15.5	14.4	14.2	13.7	13.3	13.3	23.6
Berlin, 1 A quality	24.4	24.4	a/	24.4	24.4	a/	26.2
London:							
Danish	17.9	18.0	17.8	17.1	16.8	16.7	26.0
Dutch, unsalted	22.5	21.7	21.6	20.7	18.3	17.5	24.8
New Zealand	17.4	16.2	16.0	15.8	15.5	16.4	24.9
" " unsalted	18.8	17.0	16.4	16.1	15.6	16.4	25.2
Australian	17.4	16.1	16.0	15.6	15.5	15.8	24.2
" unsalted	17.6	16.3	16.3	15.8	15.5	15.8	24.3
Argentine, "	16.9	15.7	15.6	14.9	14.2	14.5	23.9
Siberian	a/	a/	15.8	15.5	15.1	14.8	23.5

a/ Not available.

Cheese: Price per pound in New York and London for one day each week, April and May, 1932, with comparisons

Market and description	1932						1931
	Apr. 21	Apr. 28	May 5	May 12	May 19	May 26	May 28
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
New York, single daisies	11.6	11.2	11.8	11.8	11.8	11.8	15.6
London:							
Canadian, white	12.0	11.6	11.7	11.6	11.5	11.6	15.6
" , colored	11.8	11.6	11.5	11.5	11.5	11.4	15.9
New Zealand, white	10.2	9.6	9.6	9.4	9.1	9.5	11.7
" " ,colored	10.4	9.6	9.8	9.5	9.1	9.5	12.3

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D-68

June 29, 1932

WORLD DAIRY PROSPECTS

Summary

Butter prices reached new low levels in June in both domestic and foreign markets. As compared with a year ago, New York prices and the Copenhagen Quotation are both about 25 per cent lower. In world markets generally, butter prices are now seasonally at about their lowest point for the year and the seasonal advance in European prices is normally somewhat more rapid than in domestic markets. Low purchasing power continues to be reflected in the generally narrow range between prices of best quality and lower grade butters. Greatly increased supplies of butter reaching the British market during the past two years have been an important factor in lower butter prices more than cheese prices and more than the prices of agricultural products generally in that country. In German trade some improvement is noted, but in countries exporting most heavily to Germany demands are being urged for adjustments in the discriminatory tariff rates on butter now prevailing under the quota system. Australian butter production reached a new record in the seasonal year just ending, and effective April 2, the bounty on exports has been increased. While in Canada the tendency is in the direction of a declining surplus of dairy products, a substantial export of butter has developed during the past year with prospects of butter production continuing to increase more rapidly than cheese production in that country.

World butter prices reach new low level

Prices in the most important world butter markets reach low points in May and June. Normally, the seasonal advance from this time on is the more rapid in European markets. This year, although Danish production has continued somewhat lighter than last year the Copenhagen quotation for June 16 equivalent to 12.9 cents per pound was still below that of June 2 by 1 cent and even colonial butters in London were fractionally lower. The New York price on 92 score at 17.5 cents was the same as on the first of the month. There is now a margin of 4.6 cents in favor of New York over Copenhagen in contrast with a year ago when Copenhagen was slightly higher than New York.

London prices on Canadian cheese are slightly higher than on Single Daisies in New York as was the case also a year ago.

As pointed out in last month's review, there still prevails in the London market an extremely narrow margin between the higher and lower grades of butter, reflecting generally lowered purchasing power with its consequent emphasis upon price rather than quality as the first consideration on the part of buyers. See table on the following page.

While the marked decline in butter prices in Great Britain during the past two years has reflected, of course, the downward movement of commodity prices generally, the fall in butter prices since 1929 has been somewhat greater than in those of cheese and much more marked than in agricultural prices as a whole in that country, and has accompanied a very considerable increase in imported supplies as indicated on the following page. Since 1923, when imports of butter from the Irish Free State were first included (April 1), quantities imported together with quantities reexported and retained for home consumption have been as follows, according to official sources.

United Kingdom: Imports of butter, 1923-1931, and four months of 1931 and 1932

Year	Imports	Reexports	Retained for domestic consumption
	1,000 pounds	1,000 pounds	1,000 pounds
1923	570,697	15,894	554,803
1924	592,171	21,410	570,761
1925	655,563	39,263	616,300
1926	651,710	25,385	626,325
1927	651,684	26,540	625,144
1928	684,653	18,422	666,231
1929	716,494	13,745	702,749
1930	764,021	19,398	744,623
1931	903,971	39,359	864,612
Jan.-Apr.1931	280,727	19,442	261,285
" " 1932	301,732	25,786	275,946

Something of the extent to which increased supplies of butter in European markets during the past two years have tended to depress world prices of butter is indicated in the following indexes of agricultural prices in Great Britain where prices are so largely determined by world supplies of all farm products. The figures are as published by the Ministry of Agriculture and Fisheries and the index is based in each case on the average prices ruling in the corresponding month of 1911-1913 as 100.

	All agricultural products	Cheese	Butter
April, 1929	146	176	151
" , 1930	137	141	130
" , 1931	123	124	115
" , 1932	117	139	111

Some recovery in German imports of butter

Imports of butter into Germany amounted in May to 12,346,000 pounds which was a material increase over April imports of 9,702,000 pounds but still far below those of May, 1931, when 19,279,000 pounds were imported.

The probability of a readjustment of tariff rates on butter entering Germany, or of making the quota that may be imported at the lowest rates, proportionate for each country to the quantities ordinarily shipped to Germany, so as to avoid present discrimination in actual rates paid, is discussed in the Danish Butter Journal, (Smor Tidende) in its issue of May 27, with the conclusion that, "there is hardly any doubt that it is reforms in that direction that are now under consideration by the German authorities."

Australian butter production falling off and bounty increased

Since January the output of butter in Australia has been about the same as that of the corresponding period of last year, according to a report received by the Canadian Government and published in the Dairy News Letter of June 15. From the beginning of the season, July 1 to December 31, 1931, production according to this information was in excess of the corresponding period of the previous year by 33,600,000 pounds. Owing to drought in February and March, however, production was curtailed so that for the last half of the seasonal year, it will be about equal to that of the last half of the previous season and the increase for the entire seasonal year will accordingly, be about equal to that of the first half, or approximately 34,000,000 pounds. It is estimated that out of a total manufacture of 358,000,000 pounds, about 202,000,000 pounds for export and 156,000,000 pounds for consumption. With favorable weather it is expected that next year's production will show a further increase.

The bounty paid on exports under the Paterson plan was increased as of April 2 from $2\frac{1}{2}$ pence or about 5 cents per pound to 3 pence or 6 cents with the levy on all production remaining unchanged at $1\frac{3}{4}$ pence or $3\frac{1}{2}$ cents.

Canadian milk consumption affects exports of dairy products

Aside from any effects of the recent changes in tariff policy in Canada, increasing domestic consumption of milk, butter, and cheese has stimulated dairy production in that country at the same time that the exportable surplus has been declining. In defending this thesis, Agatha L. Chapman of the University of Toronto presents the following figures representing consumption per capita, and a general discussion of the dairy situation in Canada summarized below. In addition to the increase in consumption growing out of industrialization and its accompanying change in food habits, educational work, and improvement in quality of product, the "stupendous" growth in tourist trade has recently been a factor of great importance.

Consumption Per Capita

	1921	1929
	Pounds	Pounds
Butter	25.79	29.95
Cheese	2.51	3.55
Milk	240.10	470.80

The dairy industry of Canada provided a growing volume of exports until the beginning of this century but from that time to the present, the general tendency has been downward. There has been no corresponding decline in milk production. On the contrary, production has increased from 6,864,000,000 pounds in 1900 to 10,976,000,000 pounds in 1920 and 14,349,000,000 pounds in 1929. The rate of increase has been considerably greater during the last decade than previously, the estimated increase having been 11.9 per cent from 1910 to 1920 and 31.6 per cent from 1920 to 1929. Milk production per capita, however, which had increased from 1,278 pounds in 1900 to 1,565 in 1926 declined to 1,465 pounds in 1929.

The possibilities of expansion of the Canadian dairy industry are considered under the two forms of more extensive and more intensive. Despite the large area of unoccupied land in Canada much of which is permanently unsuited to any agricultural uses, transportation facilities tend to limit expansion in the near future to lands where alternatives to dairying are already securely established and where relative profitableness of dairying and other enterprises will determine the rate of such expansion. Of the possible increase in milk production through more intensive methods, the increase in number of cows carried per acre tends to very slow in Canada and increase in yield per cow has been little more than begun. Sufficient cow-testing association records are available, however, to indicate that the total output could be enormously increased, but that while much publicity has been given to methods of raising the low average yield, comparatively little attention has as yet been given them by farmers. Cow-testing is now principally established in the larger, more specialized herds in market milk areas.

The position of butter in Canadian dairying

More than half of the total Canadian output of butter is produced in Ontario and Quebec. The outstanding development is the increase in the proportion of milk used for the fresh milk and cream market, particularly in Ontario. In both these provinces, which include the great cheese producing sections, both butter and cheese have declined in relation to total milk production, but the increase in the use of fresh milk and cream has been at the expense of cheese production particularly. In Ontario, the proportion of the total milk production utilized in cheese-making declined from 26.7 per cent in 1920 to 16.7 per cent in 1929 and in Quebec the decline was from 14.2 per cent to 9.2 per cent. The fact that cheese received so much publicity while accounting for such a small proportion of the milk supply is attributed to the fact that cheese enters so much more largely into the export trade.

"In Ontario and Quebec there is a very fine equilibrium among the various uses to which milk may be put. Any slight change in price on the part of one of the products will cause a certain diversion of the milk supply towards this product."

The export of milk and cream to the United States had a considerable influence on the dairy industry of Canada in the last few years. The eastern townships of Quebec and the counties on Ontario bordering on the St. Lawrence were chiefly concerned in this trade. The trade "was always a thorn in the side of the dairy farmers on the other side of the border and they have taken drastic measures to bring it to an end." The various acts from the Milk Import Act in 1927 through the several successive tariff rate increases are reviewed in the thesis with the conclusion that "exports have been immensely curtailed since these duties have gone into effect and consequently other outlets must be found by the producers. The United States market can no longer be looked towards for the sale of Ontario and Quebec milk, and there is no doubt that the butter and cheese factories of the districts concerned are benefiting by increased supplies."

The quality of butter made in Ontario and Quebec has never reached a uniformly high level since butter has been produced largely for the home market which apparently does not demand the best. Competition with imported New Zealand butter, however, served to stimulate attention to improved quality. Compulsory grading of cream and payment according to grade was made compulsory in Ontario in 1926 and regulations as to payment according to grade dating back to 1909 in Quebec were made effective in 1924. In Ontario cream used for butter-making must be pasteurized, according to an act of 1930. As a means to obtaining uniformity and high quality of product, consolidation of creameries is urgent.

In the Prairie Provinces, on the other hand, butter production has been of increasing importance since the beginning of the century. At the beginning of the century they did not produce enough butter for their own use, but for some years, now, they have produced a surplus for export. In these provinces the proportion of the total milk production used for butter-making has not changed markedly since 1920, but dairy butter has given way considerably to creamery butter. In 1929, the percentage of the total milk output utilized in making butter, both on farms and in creameries, was 67.2 per cent in Manitoba, 59.3 per cent in Saskatchewan, and 59.5 per cent in Alberta.

Cheese and other manufactured dairy products are comparatively unimportant in all the prairie provinces.

It is believed that the comparative advantage for grain-growing in the prairie provinces will continue and that the production of butter will continue to be the main outlet for the milk production of these provinces.

Notwithstanding the prevalent over-building of small creameries and transportation difficulties in the way of consolidation and centralization in the matter of quality of butter the Prairie Provinces have been ahead of eastern Canada. The former have been pioneers in cream-grading. In 1923, cream-grading was made compulsory and uniform standards were adopted in all three provinces.

The Canadian tariff on butter

Any significant foreign competition with the Canadian butter industry can be expected to originate only in the Southern Hemisphere where seasonal changes are complementary to those in Canada.

Following the World War, as European butter producers regained their competing power and butter production in the Southern Hemisphere continued to increase, more attention was again turned toward this home market.

The Canadian tariff on butter has a history older than the Confederation. At the time of Confederation the duty was 4 cents per pound and it remained at that figure, except for various preferential rates, until 1930. On May 30, 1930, the rates were raised to 6 cents per pound under the Intermediate tariff (applicable to any foreign country which had been on the General tariff and which had given Canada certain benefits) and 7 cents under the General tariff, but the British Preferential rate remained at 4 cents. On September 16, 1930, these rates were again raised to 12 cents, 14 cents, and 8 cents, respectively.

Meanwhile, within Canada, influences were making for increased importation of butter. Consumption was increasing steadily. The total consumption of butter in Canada increased from 226,654,977 pounds in 1921, to 256,248,609 pounds in 1925 and to 293,434,036 pounds in 1929. Production, on the other hand, did not increase after 1925 as rapidly as it had from 1920 to 1925.

Since the raising of the tariff in September 1930, and the termination of the New Zealand agreement in October 1930, there have been large increases in butter production in Canada.

Butter: Price per pound in New York, San Francisco, Montreal, Copenhagen, Berlin, and London for one day each week, May and June, 1932, with comparisons

Market and description	1932							1931
	May 5	May 12	May 19	May 26	June 2	June 9	June 16	June 18
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
New York, 92 score	20.0	19.5	18.5	18.0	17.5	17.5	17.5	23.2
San Francisco, 92 score	20.0	20.0	19.0	18.0	18.0	18.0	18.0	25.0
Montreal, No. 1 pasteurized	14.6	14.2	14.1	14.8	14.5	13.8	13.7	20.5
Copenhagen, off. quot.	14.2	13.7	13.3	13.3	13.9	12.9	12.9	23.6
Berlin, 1A quality	24.4	24.4	24.4	23.6	23.6	22.9	22.9	26.1
London -								
Danish	17.8	17.1	16.8	16.7	17.4	16.3	16.2	25.9
" unsalted	21.6	20.7	18.3	17.3	19.4	20.9	20.8	25.6
New Zealand	16.0	15.8	15.5	16.4	16.2	15.6	15.7	23.9
" " unsalted	16.4	16.1	15.6	16.4	16.5	16.1	16.2	24.8
Australian	16.0	15.6	15.5	15.8	16.0	15.5	15.5	22.9
" unsalted	16.3	15.8	15.5	15.8	16.0	15.7	15.4	23.7
Argentine, "	15.6	14.9	14.2	14.5	14.7	14.5	14.4	23.9
Siberian	15.8	15.3	15.1	14.8	15.4	15.0	14.4	21.7

Cheese: Price per pound, in New York and London for one day each week during May and June, 1932, with comparisons

Market and description	1932							1931
	May 5	May 12	May 19	May 26	June 2	June 9	June 16	June 18
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
New York, single daisies	11.8	11.8	11.8	11.8	11.8	11.2	11.2	14.1
London -								
Canadian, white	11.7	11.6	11.5	11.6	11.6	11.5	11.6	15.2
" colored	11.5	11.5	11.5	11.4	11.4	11.2	11.3	15.4
New Zealand, white	9.6	9.4	9.1	9.5	9.3	9.0	9.2	11.7
" " colored	9.8	9.5	9.1	9.5	9.3	9.0	9.2	12.4

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WORLD DAIRY PROSPECTS

D-69

July 16, 1932

SUMMARY

Butter production in the United States, Canada, and Europe has been running lighter during the new season than in the early part of the previous season, according to information received to date by the Bureau of Agricultural Economics. Southern Hemisphere supplies, on the other hand, have been heavier during recent months than a year earlier but have now declined to a low point seasonally. Imports into the United Kingdom and Germany together were lighter than a year ago by 16 per cent in April and 10 per cent in May. Supplies reaching European markets are normally heaviest in June and July, and are particularly affected by the comparatively late season in the Russian and Baltic dairy regions. Supplies from these sources have been increasing notably in recent years. Total supplies reaching the principal European markets, and affecting latest cabled quotations shown below, are much heavier to date than in May, the latest month for which official trade figures are now obtainable, and are probably at their peak for the summer. European markets of secondary importance, but normally providing alternative outlets for world supplies, continue under tariff and quota restrictions which limit their capacity to absorb such important quantities as might otherwise have been diverted to them. Prices of butter during June were only slightly changed in either the domestic or foreign markets. Cheese prices in London, largely owing to seasonal quality, declined on Canadian and advanced on New Zealand, while New York prices on the same type of cheese remained unchanged. Margins as between domestic and outside prices of butter and cheese, accordingly, are still narrow, having changed but little, when quality or product is considered, from those prevailing a month ago.

Continued falling off in Swiss cheese imports

The foreign trade of the United States continued during May to be featured by a marked decline in imports of Swiss cheese.

United States: Imports and exports of dairy products, May 1931, and April and May, 1932

Item	Unit	Imports			Exports		
		1931	1932		1931	1932	
		May	April	May	May	April	May
Butter	lbs.	166,791	173,143	78,667	201,005	114,140	91,591
Cheese, total	"	5,856,384	5,280,466	4,337,894	139,347	95,192	142,489
" Swiss	"	1,198,722	831,682	749,364	- - -	- - -	- - -
" other	"	4,657,662	4,448,784	3,588,530	- - -	- - -	- - -
Cream, fresh	gals.	947	18,559	15,203	(6,447	(2,199	(1,739
Milk, "	"	84,739	23,813	8,582	(	(	(
" Evaporated	lbs.	66,748	92,010	118,681	5,114,362	3,207,246	3,812,026
" Condensed	"	93,844	103,774	58,750	1,973,425	1,168,600	1,618,100
" Dried, total	a/ "	143,833	5,989	55,941	1,368,883	598,838	389,545
" " whole	"	- - -	5,989	55,941	- - -	158,676	201,512
" " skimmed	"	- - -	- - -	- - -	- - -	440,162	188,033
Cream, dried	"	- - -	75	- - -	- - -	- - -	- - -
Malted milk, compounds, etc	"	- - -	132	1,078	202,598	88,687	167,352

a/ Separately classified as "dried whole milk" and "dried skimmed milk" beginning January 1, 1932.

World butter supplies comparatively light

Following comparatively heavy winter output, butter production in the United States was lighter than a year ago in April and practically the same in May. Similarly, supplies reaching European importing centers, which had been exceedingly heavy during the winter months as compared with a year earlier, fell far below those of corresponding months of 1931 during May and June. Early spring production in Canada was also relatively light in most sections according to estimates of the various provincial officials.

United States: Estimated production of creamery butter, by months, January to May, 1931 and 1932

Month	1931	1932	Percentage change
	Pounds	Pounds	Per cent
Jan.	116,110,000	119,323,900	+ 2.76
Feb.	108,051,000	117,683,600	+ 8.91
Mar.	124,914,000	127,267,500	+ 1.88
Apr.	143,052,000	136,555,600	- 4.55
May	182,269,000	182,659,200	+ 0.21
Total	674,396,000	683,489,800	+ 1.34

Cold storage holdings of butter in the United States were the smallest for July 1 since 1928, amounting to 80 million pounds as compared with 89 million on July 1, 1931, and 106 million pounds on July 1, 1930.

European butter production during the new season to date of latest information, in mid-June, has been running somewhat lighter than last year.

Danish exports of butter during the first 5 months of 1932 have been about 3 per cent less than in the corresponding period of 1931, shipments to Germany having fallen off 35 per cent while the British markets took 2 per cent more than last year. Total Danish exports of bacon, on the other hand, were increased 7 per cent and eggs 29 per cent. Weather and pasture conditions as of the middle of June were reported as favorable to heavy production of best quality of butter. The low prices obtainable were referred to in the Danish Butter Journal (Smor Tidende) of June 17 as stimulating a "vast" consumption of butter within Denmark as in other countries, "probably at the cost of substitutes." The Copenhagen quotation during mid-June of 142 Kroner per 100 kilograms (equivalent at the rate of exchange then prevailing to 12.9 cents per pound) was referred to as the lowest since June, 1894.

During the first five months of this year, Estonian exports of butter were 6 per cent less than during the corresponding period of 1931, exports from Finland were 11 per cent less, from Sweden a third less. From the Netherlands, the exports of 16 million pounds were only one-half a heavy as in the first five months of 1931, while imports were increased from 2,334,000 pounds to 7,807,000 pounds.

Butter: Imports into Great Britain and Germany, by months, 1931 and 1932, to date.

Month	1931			1932			Change in total 1932 from 1931
	Great Britain	Germany	Total	Great Britain	Germany	Total	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Per cent
Jan.	75,645	17,111	92,756	79,654	18,963	98,617	+ 6.3
Feb.	66,879	17,102	83,981	81,527	12,568	94,095	+ 12.0
Mar.	63,009	15,226	78,235	73,470	14,551	88,021	+ 12.5
Apr.	75,095	16,001	91,096	67,081	9,702	76,783	- 15.7
May	80,994	19,279	100,273	77,882	12,346	90,228	- 10.0
June	84,738	17,857	102,595				
July	90,528	19,841	110,369				
Aug.	73,698	18,824	92,522				
Sept.	66,879	18,519	85,398				
Oct.	71,785	21,605	93,390				
Nov.	66,832	19,184	86,016				
Dec.	87,788	20,282	108,070				
Total	903,870	220,831	1,124,701				

Cold storage holdings of butter in Great Britain have been officially reported fortnightly for about three years and since the data serve now to show something of the seasonal movement of butter into and out of storage in that important world market, they are reproduced below as compiled from the Weekly Dairy Produce Notes of the Empire Marketing Board. The compilation also indicates that recent holdings have not been excessive despite large winter imports, the total stocks of 36 million pounds on June 11 amounting to less than one-half as much as was imported in any recent month.

Great Britain: Stocks of butter returned as held in cold storage, fortnightly, January, 1930 to June, 1932.

Date	1930	Date	1931	Date	1932
	Thousand pounds		Thousand pounds		Thousand pounds
Jan. 11	18,203	Jan. 10	13,166	Jan. 9	20,367
" 25	25,978	" 24	16,873	" 23	22,582
Feb. 8	28,565	Feb. 7	15,709	Feb. 6	20,363
" 22	25,855	" 21	16,835	" 20	17,434
Mar. 8	33,672	Mar. 7	14,935	Mar. 5	20,054
" 22	34,833	" 21	16,261	" 19	21,386
Apr. 5	37,065	Apr. 4	14,069	Apr. 2	25,066
" 19	40,741	" 18	16,711	" 16	27,118
May 3	47,743	May 2	20,332	" 30	29,628
" 17	50,684	" 16	27,171	May 14	29,785
" 31	57,716	" 30	31,357	" 28	28,999
June 14	63,327	June 13	34,754	June 11	36,153
" 28	66,875	" 27	40,114		
July 12	66,550	July 11	44,671		
" 26	59,499	" 25	51,690		
Aug. 9	56,250	Aug. 8	58,984		
" 23	56,131	" 22	54,964		
Sept. 6	54,194	Sept. 5	51,550		
" 20	49,706	" 19	51,151		
Oct. 4	46,401	Oct. 3	44,084		
" 18	41,630	" 17	40,613		
Nov. 1	54,364	" 31	33,147		
" 15	24,548	Nov. 14	32,394		
" 29	17,936	" 28	26,956		
Dec. 13	15,457	Dec. 12	21,808		
" 27	14,120	" 26	24,296		

Czechoslovakia establishes import quota on butter

Shortage of feed crops in Czechoslovakia is reported to have resulted in an insufficient domestic butter supply during the late winter of 1931-32. Beginning in late February the decline in prices of butter was accordingly less rapid in the domestic market than in foreign markets and imported butter was sold at lower prices than the domestic product. Agricultural interests have since been able to obtain restrictions upon the importation of butter. The quantity that might be imported under the quota has been limited to 440,000 pounds during April and 815,000 pounds during May.

New Zealand: Gradings of butter and cheese, August, 1930 to May, 1932

Month	Butter		Cheese	
	1930-31	1931-32	1930-31	1931-32
	Thousand pounds	Thousand pounds	Thousand pounds	Thousand pounds
Aug.	6,805	8,147	1,447	538
Sept.	16,623	16,524	10,835	6,810
Oct.	25,742	28,016	22,010	20,848
Nov.	30,350	32,670	27,191	27,868
Dec.	34,572	37,652	34,041	53,569
Jan.	28,970	30,652	30,744	27,032
Feb.	24,300	23,457	24,420	23,399
Mar.	20,933	22,483	20,075	21,829
Apr.	13,919	15,920	15,973	17,237
May	9,462	10,916	9,323	11,780
Total	211,655	226,437	196,058	190,908

Data from Weekly Dairy Produce Notes, Empire Marketing Board, June 17, 1932.

The seasonal year in New Zealand ends with July. For the first ten months of the current seasonal year for which figures are now available, the quantity of butter graded as compared with the corresponding period of the previous season increased by nearly 15 million pounds or 7 per cent. Cheese gradings, on the other hand, declined by 5 million pounds or 2.6 per cent.

Stocks of butter remaining in storage in New Zealand on May 31, amounting to 33 million pounds, were practically the same as a year earlier. Cheese stocks were 4 million pounds heavier, amounting to 33,152,000 pounds against 29,120,000 pounds on May 31, 1931.

Butter: Price per pound in New York, San Francisco, Montreal, Copenhagen, Berlin, and London for one day each week, June and July, 1932, with comparisons

Market and description	1932						1931
	June 2	June 9	June 16	June 23	June 30	July 7	July 10
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
New York, 92 score	17.5	17.5	17.5	16.5	16.5	17.0	24.2
San Francisco, 92 score	18.0	18.0	18.0	18.0	18.0	18.0	25.0
Montreal, No.1 past.	14.5	13.8	13.7	14.2	14.1	14.1	21.6
Copenhagen, off.quot	13.9	12.9	12.9	12.9	13.5	13.7	23.7
Berlin, 1A quality	23.6	22.9	22.9	22.9	22.9	22.9	27.0
London--							
Danish	17.4	16.3	16.2	16.3	16.4	16.5	26.4
Dutch, unsalted	19.4	20.9	20.8	20.6	20.3	19.7	26.7
New Zealand	16.2	15.6	15.7	15.7	15.8	16.1	24.8
" " unsalted	16.5	16.1	16.2	16.3	16.3	16.5	25.2
Australian	16.0	15.5	15.5	15.5	15.5	15.7	23.8
" unsalted	16.0	15.7	15.4	15.5	15.5	15.8	23.8
Argentine "	14.7	14.5	14.4	14.2	14.0	13.9	23.8
Siberian	15.4	15.0	14.4	14.1	13.8	13.7	20.8

Cheese: Price per pound, in New York and London for one day each week during June and July, 1932, with comparisons

Market and description	1932						1931
	June 2	June 9	June 16	June 23	June 30	July 7	July 10
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
New York, single daisies	11.8	11.2	11.2	11.2	11.2	11.2	14.5
London--							
Canadian, white	11.6	11.5	11.3	9.0	9.0	9.4	13.6
" colored	11.4	11.2	11.3	9.0	9.1	9.4	13.1
New Zealand, white	9.3	9.0	9.2	9.1	9.3	9.5	12.8
" " colored	9.3	9.0	9.2	9.1	9.3	9.4	13.4

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

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D-70 August 16, 1932

WORLD DAIRY PROSPECTS

Summary

The recent advance in prices of butter and cheese from the record low levels reached in June, although mostly seasonal, has been greater in domestic than in European markets. The margin of New York butter prices over Copenhagen on August 4 amounted to 7 cents, a rather wide spread for this time of year, particularly when its ratio to prevailing low prices is considered. Recent imports of butter have been quite unimportant and somewhat exceeded, in fact, by exports. Butter prices, however, afford something of an index of the basic relationship between domestic and foreign prices of dairy products, generally, and as such might indicate prospective departure from the recent trend in cheese imports or in exports of concentrated milk as well as in butter trade. Since the beginning of this year, domestic and foreign supplies of butter have tended to parallel each other rather closely, running heavier than in 1931 during the winter months and lighter during the spring. Indications of some important shift from spring to fall freshening of cows in the United States may tend to prolong the paralleling tendency into the new Southern Hemisphere season of flush production. Butter stocks do not now appear excessive in either domestic or foreign markets.

Butter and cheese prices better maintained in domestic than in foreign markets

Although record low levels of prices of butter prevailed during June in both the United States and Europe, the recent seasonal rise has been much more marked in this country to date. In fact, some decline is reported in important European markets during the past two weeks and the margin in favor of domestic prices has become substantial. On August 4, the quotations of 20.75 cents on 92 score in New York was 7.2 cents above the Copenhagen official quotation equivalent at current exchange to 13.6 cents. American type cheese, also, had advanced during July in New York to 13.2 cents and London quotations had declined slightly resulting in a notable widening of margins to around 4 cents a pound over Canadian and New Zealand cheddar in London. Owing in

part to differences in exchange rates, monthly average margins in favor of New York over Copenhagen butter prices have been materially wider during the first half of 1932 than in corresponding months of last year, and are, of course, still small by comparison with the prevailing import duty of 14 cents per pound. During recent weeks, domestic markets have strengthened notably in comparison with European markets.

Butter: Monthly average price per pound at New York and Copenhagen, January 1931 to July 1932

Month	1931			1932		
	New York 92 score	Copenhagen off.quot. a/	New York over Copenhagen	New York 92 score	Copenhagen off.quot. a/	New York over Copenhagen
	Cents	Cents	Cents	Cents	Cents	Cents
Jan.	28.5	26.7	1.8	23.6	16.7	6.9
Feb.	28.4	29.5	- 1.1	22.5	19.8	2.7
Mar.	28.9	27.0	1.9	22.6	17.2	5.4
Apr.	26.1	24.3	1.8	20.1	15.6	4.5
May	23.7	23.3	0.4	18.8	13.6	5.2
June	23.3	23.3	-	17.0	13.2	3.8
July	25.0	23.2	1.8	18.2	14.7	3.5
Aug.	28.1	24.5	3.6			
Sept.	32.5	24.5	8.0			
Oct.	33.8	21.2	12.6			
Nov.	30.9	19.9	11.0			
Dec.	30.5	18.8	11.7			

a/ Converted to United States currency at prevailing rates of exchange.

Foreign trade of United States in dairy products declining

Foreign trade of the United States in dairy products for the six months, January to June, in comparison with the like period of 1931, was featured by a 27 per cent decline in Swiss cheese imports against a 12 per cent decline in "other" varieties and marked declines in exports of condensed, evaporated and dried milk. In both periods imports of less than a million pounds of butter were somewhat exceeded by exports. Imports of fresh milk and cream continued negligible. The volume of both our import and export trade for the first half of this year, in dairy products as a whole, thus continued the decline of the previous three years.

United States: Imports and exports of dairy products, June and January to June, 1931 and 1932

Item	Unit	Imports			
		1931		1932	
		June	Jan.-June	June	Jan.-June
Butter	lbs.	159,453	729,524	91,486	686,039
Cheese, total	"	5,120,946	30,242,908	3,801,827	25,486,469
" Swiss	"	1,504,015	7,764,305	1,108,455	5,649,072
" other	"	3,616,931	22,478,603	2,693,372	19,837,397
Cream, fresh	gals.	405	29,035	11,952	67,508
Milk, fresh	"	131,426	424,728	3,888	93,515
" evaporated	lbs.	84,621	185,463	21,691	365,730
" condensed	"	32,108	341,191	124,782	385,492
" dried, total	"	59,369	646,844	49,270	331,108
" " whole	"	-	-	49,249	326,061
" " skimmed	"	-	-	-	-
" malted, compounds, etc.	"	-	-	21	4,972
Cream, dried	"	-	-	-	75
		Exports			
Butter	lbs.	155,910	1,172,117	170,676	765,653
Cheese	"	119,323	835,140	155,134	769,884
Milk and Cream, fresh	gals.	6,437	56,118	1,495	21,943
Milk, evaporated	lbs.	5,023,652	29,527,494	2,993,851	22,805,985
" condensed	"	1,372,487	10,820,664	1,372,487	8,055,970
" dried, whole	"	1,084,852	7,517,165	149,661	1,047,462
" " skimmed	"			71,406	953,123
" infants' foods, malted, etc.	"	117,671	887,119	104,649	734,453

Close parallel in trends of domestic and foreign butter supplies

If comparison is made with corresponding periods of the previous year, supplies of butter appear to have been much heavier during the first quarter of this year and lighter during the second quarter in both United States and European markets, as shown in the following tables. In European dairy countries generally, winter milk production was not unusually heavy, the output having been checked by economy in the use of concentrated feeds. European production was supplemented by record supplies from Southern Hemisphere sources, and total imports of butter into Great Britain and Germany reached new records during the past winter. Since markets have become more completely dependent upon the output of the Northern Hemisphere, supplies have declined simultaneously in domestic and European markets. In the United States it is evident that some shift from spring to fall freshening of cows is a factor in the limiting of production during the second quarter. Stocks have not been excessive thus far in the season in either domestic or foreign markets although stocks in both are now increasing seasonally.

United States: Estimated production of creamery butter and factory cheese, by months, January to June, 1931 and 1932

Month	Butter			Cheese		
	1931	1932	Increase or decrease	1931	1932	Increase or decrease
	1,000 pounds	1,000 pounds	Per cent	1,000 pounds	1,000 pounds	Per cent
Jan.	116,110	119,324	+ 2.76	21,793	21,017	- 3.57
Feb.	108,051	117,684	+ 8.91	22,208	21,732	- 2.15
Mar.	124,914	127,267	+ 1.88	28,852	26,514	- 8.11
Apr.	143,052	136,356	- 4.55	34,160	28,685	-16.03
May	182,269	182,659	+ 0.21	44,190	38,731	-12.36
June	194,542	186,997	- 3.88	50,258	46,216	- 8.05
Total: 6 mos:	868,938	870,487	+ 0.17	201,461	182,895	- 9.22

Butter: Imports into Great Britain and Germany, by months, January 1931 to June 1932

Month	1931			1932			Change in total 1932 from 1931
	Great Britain	Germany	Total	Great Britain	Germany	Total	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Per cent
Jan.	75,645	17,111	92,756	79,654	18,963	98,617	+ 6.3
Feb.	66,879	17,102	83,981	81,527	12,568	94,095	+ 12.0
Mar.	63,009	15,226	78,235	73,470	14,551	88,021	+ 12.5
Apr.	75,095	16,001	91,096	67,081	9,702	76,783	- 15.7
May	80,994	19,279	100,273	77,882	12,346	90,228	- 10.0
June	84,738	17,857	102,595	87,690	10,803	98,493	- 4.0
Total 6 mos.	446,360	102,576	548,936	467,304	78,933	546,237	- 0.5
July	90,528	19,841	110,369				
Aug.	73,698	18,824	92,522				
Sept.	66,879	18,519	85,398				
Oct.	71,785	21,605	93,390				
Nov.	66,832	19,184	86,016				
Dec.	87,788	20,282	108,070				
Total	903,870	220,831	1,124,701				

European production during past feeding season generally light

Milk production during the past winter and early spring was lighter in nearly all of the European countries than in preceding seasons, according to reports compiled by the International Agricultural Commission and published by the Swiss Peasants' Union in its 93rd report covering the first quarter of 1932. The decreased output is attributed to prolonged cold weather and light feeding of concentrated feed, the latter reflecting the poor returns to farmers. Translation of the summary report as published in German is given in full on the following page.

Increases or decreases in comparison with corresponding quarters of the preceding year are indicated by code numbers, as follows: 0 = no change, 1 = weak, 2 = strong, and 3 = very strong. Increases are indicated by the plus (+) sign and decreases by the minus (-) sign.

Changes in milk production in specified European countries, by quarters, 1932, in comparison with corresponding periods of 1931

Country	First quarter	Second quarter	Third quarter	Fourth quarter
Austria	- 0.40	- 1.20	- 0.43	- 0.73
Czechoslovakia	+ 0.02	- 0.11	+ 0.60	+ 0.16
Hungary	- 1.10	- 0.54	- 0.41	- 0.84
Yugoslavia	- 1.00	- 0.25	± 0.00	+ 1.38
Bulgaria	- 0.50	--	--	+ 0.18
Italy	- 0.83	+ 0.28	- 0.71	- 0.75
France	- 0.04	- 0.31	+ 0.07	+ 0.33
Germany	- 0.76	+ 0.33	- 0.36	- 0.91
Danzig	- 1.50	- 1.25	+ 0.00	- 3.00
Switzerland	+ 0.50	- 1.00	= 0.50	- 0.50
Norway	+ 0.50	+ 0.71	+ 0.14	+ 0.57
Sweden	- 0.63	+ 0.00	+ 0.14	- 0.67
Finland	- 0.50	+ 0.00	+ 0.50	+ 0.00
Latvia	+ 0.00	∓ 1.00	+ 1.00	∓ 1.00
Estonia	= 2.00	+ 1.00	+ 0.50	- 1.00
Poland	+ 0.00	- 0.67	- 0.63	- 1.25
Denmark	= 0.70	+ 0.00	+ 0.50	- 0.50
Netherlands	- 1.50	= 1.00	+ 1.00	- 1.00
Belgium	- 0.64	- 0.75	- 0.20	+ 0.70
England and Wales	+ 0.00	+ 0.00	+ 0.00	- 1.00
Ireland	∓ 0.00	∓ 0.00	= 1.00	+ 0.00
Scotland	∓ 1.00	∓ 0.00	+ 0.00	∓ 0.00
United States	+ 1.00	∓ 0.00	= 1.00	∓ 1.00
Canada	+ 1.00	∓ 1.00	+ 1.00	+ 1.00
Australia	+ 1.00	+ 2.00	+ 2.00	+ 1.50
New Zealand	+ 1.00	+ 0.00	± 0.00	+ 1.00
Argentina	± 0.00	= 1.00	= 1.00	--

93. Bericht uber den Internationalen Markt fur Milch und Molkereiprodukte im 1. Quartal 1932.

German foreign demand continues to fall off

Imports of butter into Germany during June amounted to only 10,803,000 pounds as compared with 17,857,000 pounds in June of last year when importation into that important world market had already declined heavily from earlier years. The steady marked decline in the importation of butter into Germany during the past several years is seen by comparing the total imports of 79 million pounds for the first six months of this year with imports for like periods in those years.

Germany: Imports of butter, by months, January-June, 1929-1932

Month	1929	1930	1931	1932
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Jan.	30,644	24,796	17,111	18,963
Feb.	22,046	17,634	17,102	12,568
Mar.	20,506	19,316	15,226	14,551
Apr.	18,519	21,264	16,001	9,702
May	23,589	23,313	19,279	12,346
June	22,928	23,589	17,857	10,803
Total 6 mos.	138,232	129,912	102,576	78,933

Accurate estimates of butter production in Germany are not obtainable currently and it is impossible, accordingly, to know to what extent the decline in imports reflects increased domestic production, on the one hand, and decreased consumption on the other. Butter production in Germany is officially estimated at approximately 900 million pounds, yearly, according to latest available information as published in Nachrichten für den Butter-und Fettwarenhandel of June 25, 1931. Domestic production, according to this authority, provided for about 80 per cent of the total quantity of butter consumed in Germany and butter-making then utilized approximately one-half of the total milk production of that country.

The present Government of Germany is committed to an enlarged program of national self-sufficiency in food, and, also, is working toward reduced payments of unemployment compensation, according to American Agricultural Attache, L. V. Steere, in a recent report from Berlin. Such a national policy, therefore, appears certain to continue to affect adversely the demand for foreign butter in Germany and to cause proportionately heavier supplies to be diverted to the British and other alternative markets.

"Empire Farming" stimulated by European tariffs

Much importance attaches to the Imperial Economic Conference now in progress in Ottawa, Canada, as affecting directly the British markets and thus indirectly the pressure of foreign competition in the United States.

At present, Empire sources provide about 60 per cent of all butter imported into Great Britain and about 90 per cent of all hard cheese. Regularity and sufficiency of Empire supplies must be considered at the Ottawa conference before questions of preferential duties can be discussed effectively, according to comment in British trade journals.

The Dominions regard the prevailing duty of 10 per cent on butter from other than Empire sources as not sufficiently substantial to give them great benefit. A preference of 33 per cent is quoted as the rate regarded as necessary to give them "any solid advantage". While New Zealand and Australian dairy farmers have increased their output by 68 per cent in three years, much of the advantage of this achievement has been lost through competition with increased foreign surpluses. This is emphasized by the Empire Dairy Council in urging a policy whereby these foreign surpluses would be displaced in British markets instead of increasing the total supply with the depressing

effect upon prices that has accompanied the expansion of Empire dairying in recent years. The position is aggravated and the proposed preferential duties justified from the point of view of the Empire Dairy Council by the fact, referred to in recent issues of this series of reviews, that barriers in the form of increased import duties or established quota systems are limiting imports into countries such as Germany, France, Holland, Belgium, and Switzerland. Such barriers tend to divert a larger proportion than formerly of the butter surpluses of European countries to the British market.

Butter: Price per pound in New York, San Francisco, Montreal, Copenhagen, Berlin, and London for one day each week during July and August to date, 1932, with comparisons

Market and description	1932					1931
	July 7	July 14	July 21	July 28	Aug. 4	Aug.7
	Cents	Cents	Cents	Cents	Cents	Cents
New York,92 score ...	17.0	18.5	18.5	20.0	20.8	26.8
San Francisco, "	18.0	18.0	20.0	20.0	21.0	29.0
Montreal,No. 1 past.	14.1	14.4	15.5	14.7	15.0	20.1
Copenhagen, off.quot.	13.7	14.8	15.8	14.6	13.6	22.5
Berlin, 1A quality ..	22.9	22.9	22.9	23.3	23.3	27.2
London-						
Danish	16.5	18.3	19.3	17.9	17.3	25.0
Dutch, unsalted	19.7	18.1	19.4	18.8	17.8	23.9
New Zealand	16.1	16.9	16.9	16.6	16.5	23.9
" " unsalted.	16.5	17.1	17.2	17.1	16.9	24.6
Australian	15.7	16.4	16.4	15.9	15.7	23.0
" unsalted .	15.8	17.0	17.0	16.6	16.5	23.5
Argentine, "	13.9	14.6	14.6	14.3	13.9	23.7
Siberian	13.7	14.1	14.5	13.5	13.5	20.1

Cheese: Price, per pound, in New York and Longdon for one day each week during July and August, 1932, with comparisons

Market and description	1932					1931
	July 7	July 14	July 21	July 28	Aug. 4	Aug.7
	Cents	Cents	Cents	Cents	Cents	Cents
New York,single daisies	11.2	11.2	12.2	12.5	13.2	15.8
London-						
Canadian, white ...	9.4	9.3	9.1	9.1	9.1	13.2
" colored .	9.4	9.3	9.1	9.1	9.1	13.4
New Zealand,white..	9.5	9.4	9.3	8.8	9.0	13.2
" " colored..	9.4	9.3	9.1	8.6	8.7	13.6

Foreign prices converted at prevailing rates of exchange.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

D-71 September 16, 1932

WORLD DAIRY PROSPECTS

Summary

Comparatively light spring and summer production with generally slowly advancing prices since the record low levels of June have been remarkably uniform to date throughout the important dairy regions of the Northern Hemisphere. Butter markets appear to have been more affected by the various national policies of trade restriction and their influence upon consumption than by any notable developments affecting world supplies. The German market particularly has been increasingly limited by discriminatory tariffs and quotas until this appears to have been a factor in lessening production in the Scandinavian and Baltic countries which have depended so largely upon the German trade. The present strong position of cheese in world markets is attributable in part to the comparatively unobstructed international cheese trade as well as to some lessening of world supplies. Imports of cheese into Great Britain and Germany, amounting to 212,048,000 pounds during the first six months of this year, have been lighter than last by 4 per cent. The combined butter imports for seven months of this year, amounting to 644,652,000 pounds, were lighter by about 2 per cent. Stocks of butter in storage as of August 1 in Great Britain, Canada, and the United States were the lowest in several years and cheese stocks relatively still lower.

World butter and cheese markets generally firm

Butter prices made substantial advances in early September in both domestic and European markets. The August average of 20.3 cents for butter in New York was about 2 cents above July while Copenhagen at 14.0 cents was practically unchanged and the resulting margin of 6.3 cents was the widest since January. (For table showing monthly average prices of butter at New York and Copenhagen January 1931 to July 1932, see World Dairy Prospects, August 16, 1932). Cheese prices advanced steadily during August in both domestic and foreign markets, and in early September continued the advance in London while declining slightly in New York. On September 8, 92 score butter in New York was quoted at 21.0 cents against 15.7 cents as the equivalent of Copenhagen quotation of that date, while on the same day prices of American cheese in New York and Canadian cheese in London were 13.8 cents and 10.0 cents, respectively.

Imports of Swiss cheese increase while milk exports fall off

Foreign trade of the United States during July was featured by a sustained increase over the previous July in imports of Swiss cheese and by a decline of about one-half in exports of condensed, evaporated and dried milk.

United States: Imports and exports of dairy products, July, 1931, and June and July, 1932

Item	Unit	Imports			Exports		
		1931	1932		1931	1932	
		July	June	July	July	June	July
Butter	lbs.	88,395	91,486	41,139	182,159	170,676	157,346
Cheese, total	"	3,413,352	3,801,827	3,341,937	148,220	155,134	121,957
" Swiss	"	843,114	1,108,455	1,366,233	- -	- -	- -
" other	"	2,570,238	2,693,372	1,975,704	- -	- -	- -
Cream, fresh	gals.	303	11,952	12,926	7,421	1,495	1,830
Milk, "	"	6,834	3,888	4,296			
" evaporated	"	129,840	21,691	34,990	5,891,967	2,993,851	2,687,253
" condensed	"	47,277	124,782	52,157	1,861,534	613,528	656,439
" dried, total a/	lbs.	102,068	49,270	28,183	1,106,122	325,716	424,422
" " whole	"	102,068	49,249	28,139		149,661	169,084
" " skimmed	"	- -	- -	- -	964,433	71,406	140,687
Cream, dried	"	- -	- -	- -			
Malted, milk, compounds, etc.	"	- -	21	44	141,689	104,649	114,651

a/ Separately classified as "dried whole milk" and "dried skimmed milk" beginning January 1, 1932.

European dairy production continues light through first half of year

Following a winter season of comparatively light feeding and a late spring, the dairy output of European countries generally continued light through the second quarter of the year, according to reports compiled and published by the International Commission of Agriculture and summarized below. Moderate increases as compared with the second quarter of 1931 are indicated for Germany, Switzerland, the Netherlands, Sweden, and Latvia. In England and Poland, production was about the same as a year earlier, while other European countries including Denmark, the Irish Free State and most of the Baltic States produced less than in the corresponding period of last year. Outside Europe, the most notable increase was in Argentina and New Zealand, Australian production having fallen off as compared with the corresponding (winter) period of the previous year.

Imports of butter into Great Britain and Germany reflect the lighter production of the current season, the combined imports into these markets, since the winter months when the Southern Hemisphere supplies predominated, having been materially less than in the previous year. From the much heavier supplies during January, February, and March there has been a marked falling off until for the seven months, January - July, imports total 644,652,000 pounds or 2 per cent less than during the like period of the previous year. (For table showing comparisons see World Dairy Prospects, August 16, 1932) This tendency, as pointed out in previous reviews, has been quite closely paralleled by the production of creamery butter in the United States.

German import restrictions affect quantity and source of butter supply

Total imports of butter into Germany during the first seven months of 1932 amounting to 87,310,000 pounds were 29 per cent less than in the corresponding period of 1931. The importance of the various import duties and restrictions as a factor in this decline is evidenced by the shift in sources of imported supplies accompanying the falling off in their total volume. The principal decrease has occurred in shipments from those countries which have long been the most important source of supply, including Denmark, the Netherlands, and Sweden. On the other hand, imports from Russia, Esthonia, Lithuania, and New Zealand, which countries now have tariff preference, have increased steadily and materially during the last two years and particularly during the current year to date, according to American Consul Lester L. Schnare at Hamburg.

Germany: Imports by countries, January-June, 1930, 1931 and 1932

Country of origin	1930	1931	1932
	1,000 pounds	1,000 pounds	1,000 pounds
Denmark	491,494	353,287	207,453
Netherlands	310,077	198,568	86,134
Sweden	121,694	88,008	44,709
Latvia	106,284	92,174	96,054
Poland	67,108	70,657	13,646
Finland	65,300	60,340	38,911
Esthonia	43,387	48,964	62,214
Russia	23,810	30,842	100,860
Lithuania	33,289	38,228	54,828
Australia	-	16,314	17,901
Argentina	-	4,541	12,544
New Zealand	-	-	22,641
All others	36,463	23,921	22,644
Total	1,298,906	1,025,844	780,539

The intention on the part of the German Ministry for Food and Agriculture to promote in every way the consumption of domestic butter was made clear before a recent conference of representatives of the Governments of Denmark, the Netherlands, and Finland, according to Consul Schnare who considers it likely that further restrictions upon the importation of butter into Germany will be brought about in the near future.

Recent recovery in cheese production in Canada

In 1931 butter production in Canada increased over 1930 while cheese production fell off, according to an advance report on Canadian production in 1931 now available.

Canada: Production of creamery butter and cheese, by provinces, 1930 and 1931

Province	Creamery butter		Cheese	
	1930	1931	1930	1931
	Pounds	Pounds	Pounds	Pounds
Prince Edward Island	1,746,099	2,041,136	870,580	473,242
Nova Scotia	4,733,579	5,867,920	-	-
New Brunswick	2,059,675	2,438,677	606,956	526,002
Quebec	60,746,665	69,653,540	34,059,680	25,907,391
Ontario	64,898,291	77,366,710	81,322,611	84,229,045
Manitoba	15,786,896	21,078,073	504,490	454,351
Saskatchewan	13,920,561	18,960,352	140,701	320,305
Alberta	17,716,744	22,957,923	1,035,352	1,040,588
British Columbia	4,142,551	5,438,305	564,833	730,985
Total	185,751,061	225,802,635	119,105,203	113,704,109

Some tendency is apparent in incomplete published data for the current season toward increased cheese production in Canada. Cheese graded in the Dominion from December 1, 1931 to July 30, 1932, amounted to 621,986 boxes against 530,220 boxes graded during the corresponding period of the previous season. Exports of cheese from Canada during 12 months periods ended June 30, 1931 and 1932, amounted to 78,016,800 pounds and 86,050,200 pounds, respectively. In Quebec, while creamery butter production is officially estimated to have declined during the first six months of the year about 9 per cent from that of a year earlier, from 24,240,676 pounds to 22,912,346 pounds, cheese production increased about 29 per cent from 6,773,435 pounds to 8,714,725 pounds. In Ontario during the same six months periods, creamery butter production declined about 8 per cent from 36,133,850 pounds to 33,387,388 pounds. In the prairie provinces, indications are that butter production has increased but slightly. Stocks of cheese in Canada as of August 1 were lighter than for many years, amounting to 19,000,000 pounds against 25,000,000 a year earlier and 26,500,000 as the previous 5-year average, and were also comparatively lighter than stocks of butter.

Seasonal year ends in New Zealand with new record output

Butterfat production in New Zealand during the twelve months ended July 31, 1932, is officially estimated to have exceeded that of the previous record year, 1930-31, by 5.3 per cent. This calculation is based on the quantities of butter and cheese graded in the two seasonal years, amounting to 233,433,000 pounds of butter and 197,555,000 pounds of cheese in 1931-32 against 217,349,000 pounds of butter and 199,873,000 pounds of cheese in 1930-31, indicating thus an increase of 7.4 per cent in butter and a decrease of 1.2 per cent in cheese.

The seasonal year just ended in New Zealand is the sixth consecutive year in which the quantity of butter graded has represented a material increase and, although the increase in cheese gradings has been somewhat less steady, the expansion in New Zealand dairy production has been marked each year since 1925-26, as shown on the following page.

New Zealand: Gradings of butter and cheese, seasonal years, 1924-25 to 1931-32

Year ended July 31	Butter	Cheese
	1,000 pounds	1,000 pounds
1924-25	157,082	156,784
1925-26	140,128	166,085
1926-27	160,597	170,939
1927-28	167,380	169,687
1928-29	182,909	193,995
1929-30	213,568	195,444
1930-31	217,349	199,873
1931-32	233,433	197,555

Weekly Dairy Produce Notes, Empire Marketing Board.

Butter: Price per pound in important world markets, specified dates

Market and description	1932						1931
	Aug. 4	Aug. 11	Aug. 18	Aug. 25	Sept. 1	Sept. 8	Sept. 10
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
New York, 92 score	20.8	21.0	19.5	19.5	20.5	21.0	32.0
San Francisco, "	21.0	21.0	21.0	20.0	21.0	21.0	31.0
Montreal, No. 1 past.	15.0	15.7	17.0	18.1	18.2	19.7	19.6
Copenhagen, off. quot.	13.6	14.4	13.8	14.2	15.6	15.7	25.8
Berlin, 1A quality	23.3	22.3	22.3	22.2	23.1	24.0	27.2
London:							
Danish	17.3	17.8	17.2	17.5	19.2	19.2	28.0
Dutch, unsalted	17.8	17.1	16.9	16.9	17.5	18.5	25.9
New Zealand	16.5	16.9	17.0	16.8	17.1	17.4	23.9
" " unsalted	16.9	16.8	16.7	16.8	17.1	17.3	24.1
Australian	15.7	15.8	15.8	15.5	15.9	16.4	23.0
" unsalted	16.5	16.5	16.4	16.4	16.4	16.7	23.0
Argentine "	13.9	13.8	13.7	13.6	13.8	14.0	23.2
Siberian	13.5	13.3	13.2	13.2	13.1	13.7	19.8

Cheese: Price, per pound, in New York and London, specified dates

Market and description	1932						1931
	Aug. 4	Aug. 11	Aug. 18	Aug. 25	Sept. 1	Sept. 8	Sept. 10
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
New York, single daisies	13.2	13.8	14.0	14.0	13.8	13.8	16.6
London:							
Canadian, white	9.1	9.2	9.5	9.6	9.7	10.0	13.2
" colored	9.1	9.2	9.5	9.6	9.7	10.0	13.6
New Zealand, white	9.0	9.2	9.6	9.7	9.7	9.9	12.9
" " colored	8.7	8.7	8.9	8.9	8.9	9.1	13.4

Foreign prices converted at prevailing rates of exchange.

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UNITED STATES DEPARTMENT OF AGRICULTURE
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D-72 October 31, 1932

WORLD DAIRY PROSPECTS

Summary

Domestic and foreign butter supplies continued through September to parallel each other closely, as they have done since last winter, and domestic and outside prices have likewise moved closely together. Price margins in favor of the United States as compared with last fall, however, are much narrower. The foreign trade of the United States in dairy products during the current year to date has continued to decline not only in importation but even more materially in exportation.

Prices well maintained both in domestic and in foreign markets

Domestic butter prices were steadier than outside prices generally during the past month. Cheese prices (American cheddar type) have changed but little either in New York or London. On the whole, however, butter prices have advanced in the principal markets of the United States and Europe about equally to date from the record low levels reached in June. September prices in New York and Copenhagen averaged for the month 35 per cent lower than in September of last year. In mid-October of last year, following the fall in British exchange, the price of butter in New York was above the Copenhagen official quotation by 15.0 cents or slightly more than the amount of the import duty. On October 27 with 92 score in New York at 20.5 cents and Copenhagen at 14.6 cents, the margin in favor of the domestic market was 5.9 cents. Likewise on cheese, the margin according to the latest cabled report as between Canadian (white) and single daisies in New York was 3.3 cents against 4.5 cents a year ago.

Butter supplies in foreign markets closely parallel domestic output

Of the comparatively large total supplies of butter now reaching European world markets a larger proportion than a year ago continues to be absorbed by Great Britain. Germany took more butter in September (15,653,000 pounds) than in August but much less than in September of any recent year. Imports into Great Britain, on the other hand, amounting to 78,469,000 pounds, were slightly larger than in August and 18 per cent larger than a year ago. The total imports of 94,022,000 pounds into Germany and Great Britain combined were 10 per cent heavier than in September of last year, the first month to show increase over last year since March. For the 9 months, January to September, total imports amounted to 827,841,000 pounds against 837,225,000 pounds in the corresponding period of 1931, a decrease of 1.1 per cent. The close parallel in volume of supply as between European world markets and the United States is apparent in the following summaries. The estimated creamery butter production in the United States of 1,297,610,000 pounds in the first 9 months of the current year was 0.6 per cent greater than in the corresponding months of last year.

Butter: Imports into Great Britain and Germany, by months, January 1931 to July 1932

Month	1931			1932			Change in total 1932 from 1931
	Great Britain	Germany	Total	Great Britain	Germany	Total	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Per cent
Jan.	75,645	17,111	92,756	79,654	18,963	98,617	+ 6.3
Feb.	66,879	17,102	83,981	81,527	12,568	94,095	+ 12.0
Mar.	63,009	15,226	78,235	73,470	14,551	88,021	+ 12.5
Apr.	75,095	16,001	91,096	67,081	9,702	76,783	- 15.7
May	80,994	19,279	100,273	77,882	12,346	90,228	- 10.0
June	84,738	17,857	102,595	87,690	10,803	98,493	- 4.0
July	90,528	19,841	110,369	90,038	8,377	98,415	- 10.8
Aug.	73,698	18,824	92,522	77,603	11,464	89,067	- 3.7
Sept.	66,879	18,519	85,398	78,469	15,653	94,122	+ 10.1
Total: 9 mos:	677,465	159,790	837,225	713,414	114,427	827,841	- 1.1

United States: Estimated production of creamery butter and American cheese, January - September, 1932, with comparisons

Month	Butter	Change from 1931	Cheese	Change from 1931
	1,000 pounds	Per cent	1,000 pounds	Per cent
Jan.	119,324	+ 2.76	21,017	- 3.57
Feb.	117,684	+ 8.91	21,732	- 2.15
Mar.	127,268	+ 1.88	26,514	- 8.11
Apr.	136,556	- 4.55	28,685	- 16.03
May	182,659	+ 0.21	38,731	- 12.36
June	186,997	- 3.88	46,216	- 8.05
July	158,608	- 1.26	36,519	- 11.57
Aug.	144,506	+ 3.78	34,192	+ 1.55
Sept.	124,008	+ 2.54	31,009	+ 6.71
Total: 9 mos:	1,297,610	+ 0.61	284,615	- 6.83

Moderate European butter supplies in prospect

The outlook for early winter supplies of European butter suggests, according to the Empire Marketing Board, that the total exportable surplus will be less than last year, that importing countries other than the United Kingdom will take rather more foreign butter than in recent months, but less than a year ago, and that the quantity taken by the United Kingdom will be at least equal to that of a year ago.

Further falling off in foreign trade of the United States in dairy products

Both imports and exports of dairy products as a whole have been materially less during the first 9 months of 1932 than in the like period of last year.

The decline, based on the total estimated milk equivalent of the various products entering into the trade, was greater in exports than in imports. Imports amounting to 411,472,000 pounds of milk were 13 per cent less than last year while exports amounted to 149,274,000 pounds or 45 per cent below those of the first 9 months of 1931.

The net result of our foreign trade in all dairy products was thus a larger excess of imports over exports than a year ago. During the last 6 years the excess of imports has decreased steadily from the equivalent of 1,262,852,000 pounds of milk in 1926-27 to 378,314,000 pounds in 1931-32 (years ended June 30) and the slight shift during 1932 to date to an increased net importation has resulted from a falling off in exports proportionately greater than in imports.

In the import trade the decline of 24 per cent in Swiss cheese from 12,229,985 pounds in 9 months of 1931 to 9,294,088 pounds in that period of the current year is one of the most important developments.

United States: Imports and exports of dairy products, 9 months, 1931 and 1932

Item	Unit	Imports		Exports	
		1931	1932	1931	1932
Butter	lbs.	955,815	802,145	1,650,855	1,276,993
Cheese, total	"	43,560,481	37,875,176	1,222,947	1,042,606
" Swiss	"	12,229,985	9,294,088	---	---
" other	"	31,330,496	28,581,088	---	---
Cream, fresh	gals.	42,975	103,140	(80,389	(30,302
Milk "	"	540,183	103,767	(	(
" evaporated	lbs.	466,594	421,585	43,544,620	30,835,670
" condensed	"	491,137	587,733	15,467,268	9,804,856
" dried, total	"	835,595	425,347	10,382,680	1,466,163
Infants' food, etc.	"	60	5,286	1,288,289	1,069,686
Total estimated milk equivalent	"	475,030,366	411,471,826	273,845,815	149,273,863
Excess of imports	"	199,184,551	262,197,963		

Butter: Price per pound in New York, San Francisco, Montreal, Copenhagen, Berlin, and London for one day each week during September and October, 1932, with comparisons

Market and description	1932							1931
	Sept.15	Sept.22	Sept.28	Oct. 6	Oct. 13	Oct. 20	Oct. 27	Oct. 29
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
New York, 92 score	20.5	20.8	20.5	20.5	21.0	21.0	20.5	30.5
San Francisco: 92 score	21.0	21.0	21.0	21.0	22.0	22.0	22.0	32.0
Montreal, No. 1 past.	19.6	19.3	18.4	19.5	19.1	19.2	18.5	17.9
Copenhagen, off. quot.	16.2	15.7	15.0	15.3	14.6	14.4	14.6	20.9
Berlin, 1A quality	24.0	24.0	24.0	24.0	24.0	24.0	24.0	26.4
London - Danish	19.4	19.0	18.4	18.4	16.6	17.8	17.7	23.0
New Zealand	17.7	17.4	17.4	17.1	16.3	16.0	14.9	20.2

Cheese: Price per pound in New York and London for one day each week during September and October 1932, with comparisons

Market and description	1932							1931
	Sept.15	Sept.22	Sept.28	Oct. 6	Oct. 13	Oct. 20	Oct. 27	Oct. 29
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
New York single daisies	13.6	13.6	13.6	13.6	13.5	13.4	13.4	16.4
London - Canadian, white	10.4	10.4	10.5	10.5	10.4	10.4	10.1	11.9
New Zealand, white	10.2	9.8	10.0	10.2	10.1	9.8	9.8	11.9

Foreign prices converted at prevailing rates of exchange.

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D-73 November 30, 1932

WORLD DAIRY PROSPECTS

Summary

Supplies of butter continued light in October quite generally throughout the Northern Hemisphere. Milk production during most of the pasture season was lighter this year than last in Europe as well as in North America and as yet no general marked recovery is apparent. In the Southern Hemisphere, on the other hand, the output during the new season to date is materially exceeding all previous records. Prices of butter in important domestic and foreign markets had paralleled each other closely from the first of the year through October with prices in the United States above outside prices by monthly average differences varying from about 3 to 6 cents a pound. In November, however, while domestic prices made the first material seasonal advance, London prices in terms of United States currency suddenly declined. Some decline in British prices at this season is normal as is the even more marked advance in domestic prices, which together usually give rise to the widest margins of the year in our early winter. Again, in the same way, margins nearly as wide may appear in our early spring months. With the quotation on 92-score butter in New York at 25.2 cents on November 25, and the equivalent of 12.3 cents on finest New Zealand salted in London, the difference has been increased to 12.9 cents a pound, which is close to the import duty. The very recent further depreciation of the British currency is in part responsible for the unusually rapid change of recent weeks.

Butter: Monthly average prices on closely comparable grades in New York and Copenhagen, with differences, average 1926-1930, 1931, and 1932

Month	Average 5-years, 1926-1930: New York 92 score	Copenhagen official quotation	New York over Copenhagen	1931: New York 92 score	Copenhagen official quotation	New York over Copenhagen	1932: New York 92 score	Copenhagen official quotation	New York over Copenhagen
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Jan.	45.5	35.9	9.6	28.5	26.7	1.8	23.6	16.7	6.9
Feb.	45.7	38.3	7.4	28.4	29.5	- 1.1	22.5	19.8	2.7
Mar.	45.6	36.6	9.0	28.9	27.0	1.9	22.6	17.2	5.4
Apr.	43.8	33.7	10.1	26.1	24.3	1.8	20.1	15.6	4.5
May	41.5	32.6	8.9	23.7	23.3	.4	18.8	13.6	5.2
June	40.8	33.3	7.5	23.3	23.3	-	17.0	13.2	3.8
July	40.9	33.9	7.0	25.0	23.2	1.8	18.2	14.8	3.4
Aug.	42.6	34.8	7.8	28.1	24.5	3.6	20.3	14.0	6.3
Sept.	45.2	37.2	8.0	32.5	24.5	8.0	20.8	15.7	5.1
Oct.	45.7	37.2	8.5	33.8	21.2	12.6	20.7	14.7	6.0
Nov.	46.0	36.5	9.5	30.9	19.9	11.0	1/ 25.2	1/ 13.9	11.3
Dec.	46.1	36.1	10.0	30.5	18.8	11.7			
Average	44.1	35.5	8.6	28.3	23.8	4.5	- -	- -	- -

1/ Quotations as of November 23.

Continued light production generally except in Southern Hemisphere

World butter supplies have been lighter than last year ever since the close of the generally heavy winter output in the Northern Hemisphere. Even including the production of January, February, and March, somewhat less butter (.6 per cent) was produced in the United States this year to date than in 1931 and world supplies as reflected in imports into Great Britain and Germany have also been less than a year ago (2.7 per cent) including the relatively large imports of the first 3 months of 1932.

United States: Estimated production of creamery butter, by months, 1932 to date, with comparisons

Month	1932	1931	Per cent change 1932-1931
Jan.	119,323,900	116,110,000	+ 2.76
Feb.	117,683,600	108,051,000	+ 8.91
Mar.	127,267,500	124,914,000	+ 1.88
Apr.	136,555,600	143,052,000	- 4.55
May	182,659,200	182,269,000	+ 0.21
June	186,997,400	194,542,000	- 3.88
July	158,607,800	160,623,000	- 1.26
Aug.	144,506,400	139,242,000	+ 3.78
Sept.	124,008,500	120,931,000	+ 2.54
Oct.	119,326,500	126,569,000	- 5.73
Total	1,406,936,400	1,416,303,000	- 0.64

Butter: Imports into Great Britain and Germany, by months, January 1931 to October 1932

Month	1931			1932			Change in total 1932 from 1931
	Great Britain	Germany	Total	Great Britain	Germany	Total	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Per cent
Jan.	75,645	17,111	92,756	79,654	18,963	98,617	+ 6.3
Feb.	66,879	17,102	83,981	81,527	12,568	94,095	+ 12.0
Mar.	63,009	15,226	78,235	73,470	14,551	88,021	+ 12.5
Apr.	75,095	16,001	91,096	67,081	9,702	76,783	- 15.7
May	80,994	19,279	100,273	77,882	12,346	90,228	- 10.0
June	84,738	17,857	102,595	87,690	10,803	98,493	- 4.0
July	90,528	19,841	110,369	90,038	8,377	98,415	- 10.8
Aug.	73,698	18,824	92,522	77,603	11,464	89,067	- 3.7
Sept.	66,879	18,519	85,398	78,469	15,653	94,122	+ 10.1
Oct.	71,785	21,605	93,390	62,780	13,448	76,328	- 18.4
Total 10 mos.	749,250	181,395	930,615	776,194	127,875	904,069	- 2.7

Widespread restrictions upon imports into European consuming centers have apparently operated along with conditions quite generally unfavorable to dairy production to counteract the effect of low prices upon consumption. Reduction of imports into countries of secondary importance as outlets, such as Belgium, Switzerland, France, and Italy, left a larger proportion of the exports from surplus-producing countries to seek the markets of Great Britain and Germany than would have been the case in the absence of such widespread protective policies. And of the total butter supplies imported into these two principal markets, Germany because of higher tariffs and quota restrictions has been taking less and Great Britain more. Of the combined imports of these two countries during the first 10 months of the year, Great Britain took 86 per cent in 1932, against 80 per cent in 1931 and 72 per cent in 1930.

New Zealand and Australian output exceedingly heavy

Quantities of butter officially reported as arriving at grading ports in New Zealand from the beginning of the new season, August 1, to November 20 amounted to 88,284,000 pounds, an increase over this period of last year of 18.3 per cent. Australian gradings to October 29 amounted to 53,449,000 pounds, an increase of 21.8 per cent over the corresponding period of last season.

Total shipments of butter afloat from Australia, New Zealand, and Argentina, as of November 17, with comparisons are given below as compiled from reports cabled by American Agricultural Attache', E. A. Foley, in London.

From	November 17, 1932 Pounds	November 19, 1931 Pounds	November 27, 1930 Pounds
New Zealand	43,792,000	26,096,000	20,048,000
Australia	23,296,000	15,960,000	15,176,000
Argeninta	896,000	3,080,000	2,856,000
Total	67,984,000	45,136,000	38,080,000

Canada now appears to be in a position to import rather than export butter. Production of creamery butter during the first 8 months of this year is officially estimated to have amounted to 147,353,000 pounds as compared with an output of 156,001,000 pounds in this period of last year, or a decrease of 5.5 per cent. Cold storage stocks of creamery butter in all Canada amounted on November 1 to 30,559,164 pounds against 37,301,249 pounds on November 1, 1931, and a 5-year average of 30,800,456 pounds.

Foreign trade of the United States in October was negligible in butter with slight imports about balancing exports. A marked increase in imports of cheese was the most notable development. Total cheese imports amounted to 6,300,190 pounds against 5,655,004 pounds in September and much smaller imports still in earlier months of the year.

NOTE: A limited supply of Report F. S. 54, a 52 page study of "The Competitive Position of the Dairy Industry of New Zealand", released in June, 1931, is still available for distribution and will be sent free upon request. Address United States Department of Agriculture, Bureau of Agricultural Economics, Washington, D. C.

Butter: Price per pound in New York, San Francisco, Montreal, Copenhagen, Berlin, and London, for one day each week during October and November, 1932, with comparisons

Market and description	1932					1931
	Oct. 27	Nov. 3	Nov. 10	Nov. 17	Nov. 24	Nov. 26
	Cents	Cents	Cents	Cents	Cents	Cents
New York, 92 score	21.5	21.5	22.0	23.5	1/ 25.2	1/ 31.0
San Francisco "	22.0	22.0	22.0	26.0	1/ 29.0	1/ 32.0
Montreal, No. 1 past	18.5	18.4	17.8	17.5	17.2	18.3
Copenhagen, off. quot.	14.6	15.1	14.6	14.6	13.9	18.7
Berlin, 1A quality	24.0	24.4	24.8	24.8	24.8	23.0
London:						
Danish	17.7	18.4	18.0	18.2	17.3	20.7
New Zealand	14.9	14.7	13.8	13.5	12.3	17.0

1/ Quotation as of previous day.

Cheese: Price per pound in New York and London for one day each week during October and November, 1932, with comparisons

Market and description	1932					1931
	Oct. 27	Nov. 3	Nov. 10	Nov. 17	Nov. 24	Nov. 26
	Cents	Cents	Cents	Cents	Cents	Cents
New York single daisies	13.4	12.9	12.9	12.9	12.9	14.5
London:						
Canadian, white	10.1	10.1	9.9	9.8	9.6	11.0
New Zealand, white	9.8	9.7	9.4	8.9	8.9	10.1

Conversions to United States currency at prevailing rates of exchange.

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December 30, 1932

WORLD DAIRY PROSPECTS

Summary

Butter prices have continued steady to date in all important world markets and price relationships have brought markets in the United States almost to an import basis. European butter production generally continues lighter than last year while record quantities from Southern Hemisphere sources continue to dominate British markets. The markets of Great Britain have been further protected against non-empire supplies by the new tariffs agreed to at Ottawa and made effective November 17. An additional and almost prohibitive tariff is in effect on butter from the Irish Free State which is now seeking alternative outlets. The German market is now closed to butter in excess of the recently established quota and imports into that important market fell to 13,671,000 pounds in November. Canada with lessened production of creamery butter in 1932 may again be in position to import butter this winter.

Butter price margins nearly equal the amount of import duty

Butter prices have been steady during December in all of the important world markets. Domestic prices have continued at a level above London quotations by substantial margins, almost equalling in the case of New Zealand butter the import duty of 14 cents a pound. On December 16 with 92 score in New York at 25.5 cents and finest New Zealand in London equivalent to 12.1 cents the margin of 13.4 cents was the widest of the season to date. A close parallel between domestic and outside prices of butter had prevailed during 1932 with monthly average differences varying from about 3 to 6 cents a pound in favor of United States markets. A marked widening of this margin occurred in November and has continued to date, as shown in the following table.

Butter: Monthly average prices on closely comparable grades in New York and Copenhagen, with differences, average 1926-1930, 1931 and 1932

Month	Average 5-years 1926-1930: New York 92: score	Copenhagen official quotation	New York over Copenhagen	1931: New York 92: score	Copenhagen official quotation	New York over Copenhagen	1932: New York 92: score	Copenhagen official quotation	New York over Copenhagen
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Jan.	45.5	35.9	9.6	28.5	26.7	1.8	23.6	16.7	6.9
Feb.	45.7	38.3	7.4	28.4	29.5	- 1.1	22.5	19.8	2.7
Mar.	45.6	36.6	9.0	28.9	27.0	1.9	22.6	17.2	5.4
Apr.	43.8	33.7	10.1	26.1	24.3	1.8	20.1	15.6	4.5
May	41.5	32.6	8.9	23.7	23.3	.4	18.8	13.6	5.2
June	40.8	33.3	7.5	23.3	23.3	-	17.0	13.2	3.8
July	40.9	33.9	7.0	25.0	23.2	1.8	18.2	14.8	3.4
Aug.	42.6	34.8	7.8	28.1	24.5	3.6	20.3	14.0	6.3
Sept.	45.2	37.2	8.0	32.5	24.5	8.0	20.8	15.7	5.1
Oct.	45.7	37.2	8.5	33.8	21.2	12.6	20.7	14.7	6.0
Nov.	46.0	36.5	9.5	30.9	19.9	11.0	23.3	14.5	8.8
Dec.	46.1	36.1	10.0	30.5	18.8	11.7	1/ 25.5	1/ 13.1	13.4
Av.	44.1	35.6	8.6	28.3	23.8	4.5	-	-	-

1/ Quotations as of December 16.

Record Southern Hemisphere supplies dominate European markets

European butter production during November was light and exports lessened, supplies from the Baltic States and from Denmark having been less than a year ago by 15 to 20 per cent. On the other hand, arrivals of butter from New Zealand and Australia, amounted during November to 27,576,000 pounds against 25,088,000 pounds in November of last year, and December supplies from those sources which last year amounted to 55,552,000 pounds were expected to reach 67,300,000 pounds this year, according to an official estimate early in the month. Even this increase in shipments for December does not represent the full increase in output since substantial quantities were to have been withheld for later shipment.

Australian butter exports withheld

Beginning December 1, 1932, shippers of Australian butter have agreed to withhold 20 per cent of the quantity of butter intended for export to the United Kingdom, the restriction to operate until further notice, according to information received by the Empire Marketing Board and published by the Board in Weekly Dairy Produce Notes of November 18, 1932. During the 3 weeks ended November 19 gradings of butter in Australia amounting to 23,045,000 pounds had exceeded quantities graded in the same period of last season by 45 per cent and exports of 21,793,000 pounds were 42 per cent heavier than a year ago. Shipments of butter afloat from Australia as of December 1 totalled 28,039,000 pounds against 22,157,000 pounds a year earlier.

New Zealand production now heaviest on record

Production of butter and cheese is officially estimated on the basis of total butterfat equivalent to have been heavier during the first

3 months of the current season (August-October) than last by 18.5 per cent. Butter production was increased 19.8 per cent and cheese 13.5 per cent, according to quantities graded on which is based also the above estimate of butterfat production. In the 6 weeks from the end of October to December 10 receipts of butter into store amounting to 57,596,000 pounds were 21 per cent greater than in the corresponding period of last season. Shipments of butter afloat from New Zealand as of December 1, 1932 and due to arrive during December and up to January 27 amounted to 45,716,000 pounds against 36,941,000 pounds afloat as of that date last year. Allotments of butter for shipment where ships have not already sailed covering the month of December and up to January 25 amount to 53,872,000 pounds.

Higher British tariffs now in effect on dairy products from non-empire sources

Under the Ottawa Agreements Order, 1932, the previously existing ad valorem duty of 10 per cent on dairy produce from foreign countries was superseded by the following tariffs as from November 17, 1932, according to the Empire Marketing Board in its Weekly Dairy Produce Notes of November 18, 1932.

Commodity	New Tariff	Approximate duty at prevailing exchanges and current London prices
Butter	15 s per cwt.	2.23 cents per lb.
Cheese	15% ad valorem	1.5 cents per lb.
Milk, condensed, whole sweetened.	5 s per cwt.	.74 cents per lb.
Milk, condensed, whole unsweetened.	6 s per cwt.	.89 cents per lb.
Milk, powder, etc.	6 s per cwt.	.89 cents per lb.

Irish Free State seeking new markets for butter

The above rates do not apply to produce from any of the British Dominions from which entry is to be free, but to produce from all non-empire sources, except the Irish Free State. In the course of the economic war between Great Britain and the Irish Free State, the duty on Irish butter imported into Great Britain had been raised in July, 1932 to 40 per cent ad valorem which, with the duty now in effect on all "foreign" butter amounting now in all to about 8 cents a pound, is regarded as practically an embargo on butter from the Free State in Great Britain. Since practically all of the exportable surplus from the Irish Free State had been marketed in Great Britain, efforts are now being made to find an outlet, elsewhere, according to American Consul Leslie E. Woods in a report as of November 26 from Cobb Irish Free State.

Canada has less butter than last year

Creamery butter production in Canada during the 10 months ended October 31, 1932, is officially estimated to have been 186,990,000 pounds against an output during the corresponding period of 1931 of 196,662,000 pounds. In the 12 months ended October 31, the excess of exports over imports amounted to 4,069,000 pounds this year against 6,575,000 pounds last year. Stocks in storage on December 1 this year amounting to 26,252,551 pounds were considerably lighter than a year ago when they amounted to 31,385,246 pounds although in excess of the 5-year average of 24,431,493 pounds. Consumption of butter in Canada had been increasing steadily until checked in 1931, official estimates having placed consumption per capita at 28.54 pounds in 1928, 29.26 pounds in 1929, 30.44 pounds in 1930 and 30.24 pounds in 1931. It is apparent

that for the year, 1932, either consumption must decline from the high level attained in recent years, or some importation will be required. The tendency in recent years has been toward increased butter production and lessened cheese production. Increasing attention is being given to a rational program of improving the methods of production of cheese for export.

Butter: Price per pound in New York, San Francisco, Montreal, Copenhagen, Berlin, and London, for one day each week during November and December 1932, with comparisons

Market and descriptions	1932					1931
	Nov. 24	Dec. 2	Dec. 9	Dec. 16	Dec. 23	Dec. 24
	Cents	Cents	Cents	Cents	Cents	Cents
New York 92-score	25.2	25.0	23.25	25.50	23.75	31.00
San Francisco 92-score	29.0	31.0	26.00	27.00	27.00	29.00
Montreal, No. 1 past.	17.2	17.42	17.54	18.84		17.29
Copenhagen, off. quot.	13.9	13.71	13.88	14.23	13.94	19.30
Berlin 1A-quality	24.8	24.41	24.41	24.42		
London -						
Danish	17.3	17.60	17.74	18.32	18.11	20.9
Dutch, unsalted	18.3	18.10	18.02	18.18	18.26	23.2
New Zealand	12.3	12.67	11.96	12.12	12.32	15.0
New Zealand unsalted	15.0	14.78	14.28	13.60	13.86	17.7
Australian	12.2	12.53	11.90	12.12	12.40	14.8
Australian unsalted	12.8	13.04	12.62	12.70	12.92	-
Argentina unsalted	12.5	12.00	12.40	12.56	12.62	-

Cheese: Price per pound in New York and London for one day each week during November and December 1932, with comparisons

Market and descriptions	1932					1931
	Nov. 24	Dec. 2	Dec. 9	Dec. 16	Dec. 23	Dec. 24
	Cents	Cents	Cents	Cents	Cents	Cents
New York single daisies	12.9	13.25	13.50	13.50		14.25
London -						
Canadian, white	9.6	9.49	9.52	9.46	9.05	8.60
Canadian, colored	9.7	9.78	9.52	9.60	9.05	8.44
New Zealand, white	8.9	9.34	8.44	7.68	7.64	10.14
New Zealand, colored	8.5	9.34	8.52	8.13	8.38	9.08

Converted to United States currency at prevailing rates of exchange.

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